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THE JOURNAL OF
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IN ENGLAND AND WALES

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The Institute of Chartered Accountants in England and Wales

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Accounting Help for a Select Committee—

IT IS SMALL wonder that the Select Committee on Nationalised Industries finds itself in need of some accounting assistance. Its terms of reference are "to examine the reports and accounts of the nationalised industries" and to "report from time to time." In its own words, the Committee seeks to "obtain full information, sift it, analyse it and explain it in its report to the House." The magnitude of the task can be seen from the most recent investigation, of the two air corporations:

The starting point for this inquiry was the published reports and accounts of B.E.A. and B.O.A.C.; these comprise about sixty pages of narrative and eighty pages of accounts. To these must be added considerably more than sixty memoranda, many of them consisting of several pages of figures, which were presented to the Committee;

the reports and accounts of at least seven foreign airlines which were also considered; a number of government publications on the airline industry; and long extracts from an economist's report on one of the corporations. With this background Your Committee asked more than 2,500 questions, the answers to which all had to be collated and summarised.

And that investigation was comparatively uncomplicated. The electricity or gas industries would have involved the Committee in very much more labour. Thirteen busy members of Parliament should surely not be expected to spend all the time that preparatory figurework and analysis of the accounting documents must necessarily entail—apart entirely from the question of professional expertise.

The Leader of the House, Mr. R. A. Butler, said in

evidence to the Committee: "it is the new world which is catching up with the old"; in the old days a select committee dealt with matters of politics or procedure, now it has to combine politics and economics; "we find, especially in a complicated field like this, that the new demands . . . have outstripped the traditional panoply of clerks which was provided for us . . . I, who was trained in the traditional humanities, should be quite hopeless in advising you on the details of accounts."

—And the Form of the Help

WHILE THE COMMITTEE is unanimous in feeling that it should have some accounting assistance—at present its only staff is a clerk and a Treasury liaison officer—it is not so decided on the form the assistance should take. However, a bare majority (made up of Conservatives and a Liberal) favours the idea of calling in a practising accountant or "someone with comparable knowledge and experience." The Committee says it would then have no need of a special staff of its own, for the accountant would be able to use the resources of his firm. There should not be imposed on the statutory auditors of the industries any duties other than those carried out by the auditors of commercial and industrial companies, continues the Committee, for if additional information forthcoming proved to criticise the Boards the relationship between the industries and the accounting profession would be prejudiced.

In all this part of its report,* the Committee leans on the evidence given before it by Sir Harold Howitt and Sir Thomas Robson, both past Presidents of the Institute of Chartered Accountants in England and Wales. The memorandum submitted by the Council of the Institute in 1952 (published with the annual report for 1953) was also referred to by the chairman of the Committee, Sir Toby Low, during the hearings. That memorandum went further in its envisaged extension of the duties

of the statutory auditor into investigation work than the statement mentioned at the end of our preceding paragraph would seem to allow—even admitting that the auditors of companies do frequently go beyond the bare financial audit, strictly defined.

The Committee is emphatic in rejecting the idea of a new kind of Comptroller and Auditor General for the nationalised industries, or the creation of any office of such a status; it does not want any "Grand Inquisition" into the nationalised industries by officials. Any assistance, indeed, of whatever kind, should be on only a moderate scale. The Committee thinks, also, that further reliance on the Treasury liaison officer would be wrong in principle, for he would be expected to criticise his own Department. The engagement of an economist, from a university or elsewhere (apparently in addition to the practising accountant) is favoured: he could help the Committee in deciding upon profitable lines of inquiry and could conduct special researches.

In the end, the Committee makes no recommendation to the House on the form the required assistance should take. It is left to the House to decide, "after further consideration of this small but difficult problem", whether the help should be given, and how.

Accounting Recommendations and the Law

THE AMERICAN INSTITUTE of Certified Public Accountants has for some years been issuing *Bulletins* that correspond closely in nature to the *Recommendations* published on this side of the Atlantic by our own Institute. One of the bulletins has recently led to court proceedings (*Appalachian Power Company* against *The American Institute of Certified Public Accountants*).

Bulletin 44 entitled *Declining-balance Depreciation* dealt with a familiar problem—the income tax that is deferred as a result of liberal depreciation allowances by the tax authorities in the early years of the life of machinery and plant. The bulletin stated that charges made in

recognition of the deferred tax should be credited to "a deferred tax account," but did not state how the balance on the account should be shown in balance sheets. Subsequently the Institute decided to send its members a letter, signed by the chairman of its relevant committee, saying that the intent of the committee had been that the credit for deferred tax should not "result in a credit to earned surplus or to any other account included in the stockholders' equity section of the balance sheet"; in British terms, the credit balance is in nature more akin to a liability than to a reserve.

The Appalachian Power Company (and two affiliated companies also supplying electric power) then applied to the United States District Court for a preliminary injunction restraining the Institute from issuing the proposed letter until certain prerequisites had been complied with. The plaintiffs asserted that the letter would do "irreparable harm" to their business. Their deferred tax credits amount to some \$65 million and have so far been included in the earned surplus section of their balance sheets. To remove such a large sum from that section would weaken the "debt ratios" of the group, and thus undermine its borrowing status with investors. (It may be pointed out for British readers that the finances of American public utilities are in part supervised by government agencies, which may indicate desirable forms of balance sheet and of borrowing procedures.) The short-term borrowing powers of the companies under applicable statutes would be decreased by \$6.5 million. For long-term purposes, equity capital would have to be raised to replace the tax credits; the extra cost (including income tax) might be some \$4.5 million a year. Thus the companies would be embarrassed in their expansion programmes, and charges to consumers might need to be raised. The plaintiffs did not challenge the right of the Institute to issue bulletins, but objected to the short-cut procedure of sending out the letter, which denied to the members of the Institute and other interested persons

* *Special Report from the Select Committee on Nationalised Industries (Reports and Accounts)*. H.M. Stationery Office, 4s. net.

their normal opportunities for submitting views or opinions.

The Institute, in reply, stated that its committee had adopted the letter in conformity with established procedures, by more than the necessary two-thirds majority; that its procedures did not require the "exposure" in draft form of the proposed letter, though on occasion in the past this "exposure" procedure had been followed; that the view of the committee on the accounting practice in question was widely followed by leading accountants and public utilities; and that the opinions of the committee had no public effect.

During argument in court, the Judge raised questions regarding constitutional rights of free speech. Could he grant an injunction against the American Bar Association if it made pronouncements that might harm someone? Or against a group of scientists whose collective views might hurt a manufacturer? In his written judgment, he stressed the absence of fraud or wanton acts, of proof that the Institute had violated its own rules, and of direct and intentional harm to the plaintiffs. He accordingly denied the application and found in favour of the Institute. His ruling was later affirmed by the Circuit Court of Appeals. We understand that the Institute has sent the letter to its members.

Abandonment of Restrictive Agreements

UP TO THE beginning of August, 2,200 agreements had been put on the register kept by the Registrar of Restrictive Trading Agreements. But more than 600 of these agreements have been abandoned by the parties to them, and the pace of abandonment has been increasing fast, mainly as a result of decisions by the Restrictive Practices Court and of warnings by the Registrar that he intended to start proceedings.

Only six cases have actually come to trial. But many more have been nearly ready for trial when the parties to the agreements have decided to end rather than to defend them. The parties to 380 agreements have been warned that proceedings were to be started and 250 of these

agreements have been abandoned following the warning; the Registrar expects that a large number of the 130 cases in which proceedings are now pending will not come to trial.

On 1,450 agreements no action has yet been taken but over 1,050 are closely connected with cases already started. A single decision by the Court might affect as many as 100 of these agreements. Of the remaining 400 agreements, some 200 might qualify for removal from the register as being of no substantial economic significance.

The figures were given by the Registrar, Mr. R. L. Sich, in an address to the British Association at its annual meeting at York this month.

"Control of the Company"

IN A NOTE in our issue of March last (pages 160-1) on the decision of Danckwerts, J., in *Barclays Bank Ltd. (Shipside's Executor) v. C.I.R.*, our contributor, Mr. W. B. Cowcher, was clearly (and as now appears rightly) of opinion that the case had been wrongly decided. One point in his argument was that while Section 55 (5) of the Finance Act, 1940, provides that control of a company which a person had in a fiduciary capacity shall be disregarded for the purposes of the Section (in determining whether estate duty should be on an assets basis), by Section 58 (5) this exception is not to apply where the fiduciary capacity of the person in question arises under a disposition made by him. Before the Court of Appeal (C.A. [1959] 3 All E.R. 140) it was conceded that Section 58 (5) effectively disqualified the plaintiffs from invoking Section 55 (5).

The argument in the Court of Appeal turned on the interpretation to be attached to the phrase "control of the company" in Section 55 (1) (a). Danckwerts, J., had held that the deceased trustee was not a free and unfettered voter but was bound to act on the unanimous decision of himself and three other trustees, all of whose names appeared on the register as shareholders, and that in such circumstances he had not control of the company. The Court of Appeal reversed the decision, holding

that 1,100 shares comprised in the deceased's estate fell to be valued under Section 55 of the Act of 1940 because, by virtue of the voting rights vested in him, he was in a position to secure the passing of any ordinary resolution at a general meeting and, therefore, had control of the company within sub-Section (1) (a), it being irrelevant that in respect of the settled shares he was registered jointly with others as trustee. (In our note in March it was similarly suggested that he was in fact in control, despite the decision of Danckwerts, J.)

Lord Evershed, M.R., said:

Control of a limited company depends on, and is to be judged by reference to, the company's own constitution. . . . What the company does . . . is determined by the resolutions of its corporators so that those who command a majority of the corporators or their votes in general meeting control the company, the validity of the transactions of which cannot be questioned so long as the resolutions have been duly passed in accordance with the company's regulations—however much those who voted may have regarded or disregarded other (outside) obligations resting on them.

Romer, L.J., stated that the precise words "the control of the company" in Section 55 (1) had not been judicially interpreted in any decision binding on the Court of Appeal, but the words "controlling interest" had been considered in more than one case, including *C.I.R. v. J. Bibby and Sons, Ltd.* (1945) 29 T.C. 167, where Lord Simonds had remarked:

Those who by their votes can control the company do not the less control it because they may themselves be amenable to some external control.

The cases in question were concerned with other statutes and dealt with other issues, but the result of the decisions was that where Parliament speaks in a taxing statute of a "controlling interest" in a company, that expression is referable to voting control and nothing else; and Lord Simonds was unable to attribute a different meaning to the words "control of a company."

A contention of the plaintiffs that the voice of the deceased was that of the body of the trustees, which, by

reason of Article 61 of Table A of the Companies (Consolidation) Act, 1908 (which the company had adopted), could no more speak as such than could an incorporated body, was rejected for three reasons. Firstly, the contention necessarily involved the view that Section 55 (5)—as qualified by Section 58 (5)—was directed only to cases in which the majority voting power in a company was in the hands of a sole trustee of a settlement to the exclusion of the far more common case of settled shares being held by two or more trustees. Secondly, there was no true analogy between the position of the deceased and his co-trustees on the one hand and a corporation on the other. It was of the essence of the decision in *S. Berendsen Ltd. v. C.I.R.* (1957) T.R. 129 that a corporation was itself unable to speak, which could not be said of a body of individuals, and the limiting provisions of Article 61 were insufficient to create an analogy. Thirdly, the contention of the plaintiffs was inconsistent with the decision of the Court of Session in *John Shields and Co. (Perth) Ltd. v. C.I.R.* (1950), 29 T.C. 475, which was approved by the Court of Appeal in *C.I.R. v. Silverts, Ltd.* (1951) 29 T.C. 503. In the *Shields* case the voting control was held to reside in one of the trustees notwithstanding that as a trustee she could properly record a vote only with the unanimous concurrence of her co-trustees.

The decision of the Court of Appeal on "control of the company" is more in keeping with decisions of the courts upon the meaning of "controlling interest" in connection with Corporation Profits Tax, Excess Profits Tax and National Defence Contribution.

Building Societies—Form A.R.11

IN A PROFESSIONAL note last month (pages 356-7) we reported and commented upon the main changes made in the form of accounts (Form A.R.11) prescribed for building societies.

Notes for guidance (under the reference F.680) have now been sent to building societies by the Chief

Registrar of Friendly Societies, along with the new form of accounts, with the request that a copy of the notes should be handed to auditors before the audit is commenced.

The notes explain in detail the changes made in Form A.R.11. They also state that if the auditors are unable to inspect all the mortgage deeds, no objection will be raised by the Registrar if an addition is made to the certificate to make it clear how many deeds are not produced and why. If, however, there is no adequate explanation of the failure to produce the deeds or if there are any matters which the auditors consider should be brought to the attention of members or which are not clear from the annual account and statement, the auditors may have no alternative but to make a special report to the members.

If the auditors have not been able to verify any of the particulars about membership, or the number of share investors or borrowers, shown on the front page of Form A.R.11, no objection will be taken by the Registrar if a note to that effect is added to the audit certificate.

Man. Dir.

DR. COPEMAN is an enthusiastic collector of evidence: his *Promotion and Pay for Executives* remains the only substantial collection of figures about the pay of the top brass of business, and now his new book* assembles in some 250 pages the results of thirty interviews, against a background provided earlier by many more. What does the managing director do and how does he do it?

The pattern is one of considerable complexity, as one would expect, for no two executives treat their problems alike. Dr. Copeman has handled his material by topic, not by person, so that the reader gets no complete picture of any one executive at work, but rather cross-sections of techniques under such headings as "Determining Fundamental Policies," "Relations with the Chairman," "The Delegation of Duties."

* *The Role of the Managing Director*. George Copeman, Ph.D. Business Publications Ltd., in association with B. T. Batsford Ltd., 42s. net.

The arrangement is efficient, though it will tantalise some readers who would prefer a volume in which the material was re-sorted into portrait form. But managing directors in embryo will find it a fascinating book, and many who have no aspirations to such dizzy heights will be surprised to notice how similar many of the problems up there seem to be to those in their own humbler "pending" trays.

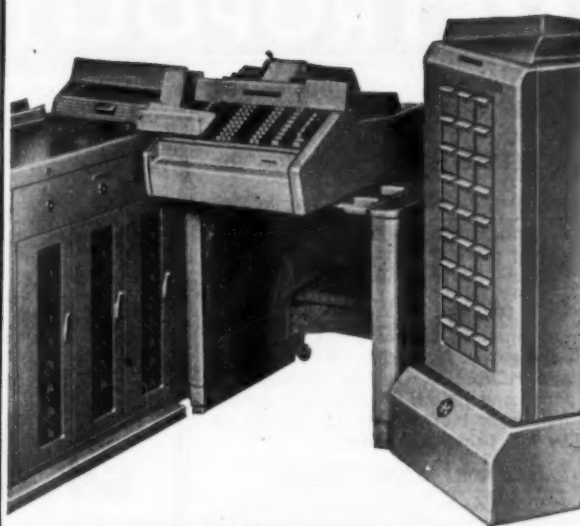
Unit Trust Distributions—Capital or Income?

THE CASE OF *Re Whitehead's Will Trusts, Public Trustee and Another v. White and Others* (1959, 2 All E.R. 497) appears to be the first of its kind. A testatrix appointed the plaintiffs to be executors and trustees of her will and bequeathed to them her residuary estate on the usual trusts for sale and conversion... on trust to pay the income to her three nieces, the first three defendants, in equal shares, with remainders for other persons as to both capital and income on the several deaths of the first three defendants. The trustees were expressly empowered to retain investments held by the testatrix at the date of her death. The estate included sub-units in a unit trust governed by a trust deed. The trust deed provided that the trustees of the unit trust in making a distribution were to distinguish between the amounts payable by way of capital and income respectively. The question to be determined by the Court was whether sums (amounting to £667) included in periodical distributions from time to time received by the plaintiffs on sub-units, and described as capital in the counterfoils attached to the warrants for payment, ought to be treated by the plaintiffs for the purposes of the will as capital or income, or ought to be apportioned between capital and income.

Most of the "capital" moneys distributed arose from the realisation, under the terms of the trust deed, of bonus shares issued by the several companies whose shares figured in the portfolio of the unit; from tax-free dividends; from a sum described as "capital repayment" made by one

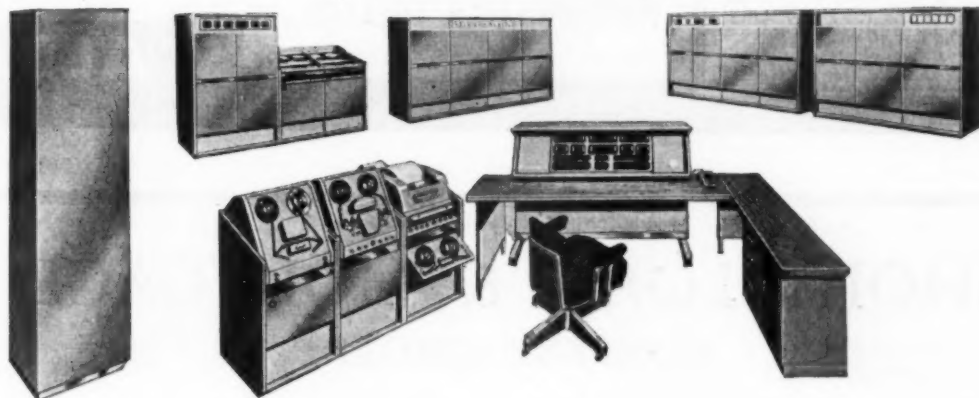


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company; and from "capital distributions" made by another company.

Harman, L.J., said:

This seems to be a novel question in these courts and one which may become of increasing importance, as this form of investment or something like it seems to be the fashion of the day.

It seemed to him that the managers of a unit trust were not concerned, except from the fiscal point of view, with the character of the cash "produce" paid twice yearly and had no intention of dictating to sub-unit holders, even if they could do so, whether the distribution was capital or income from any point of view other than the fiscal one. Similar reasons appeared to him to negative the argument that the decision of the unit trust to call some part of the yield capital impressed that part with a capital nature. He did not think there could be any authority directly in point. The will trustees must, in his judgment, inquire in any case of doubt into the source of each distribution which was labelled a capital distribution, and treat it as income or capital just as if they were the direct holders of the shares included in the portfolio. There would be liberty to apply for an inquiry if the will trustees found difficulty in applying the principles he had indicated.

More for your Motor Policy—

STATEMENTS ON BEHALF of insurance offices and of the British Insurance Association presage a rise in motor insurance premiums. The increase will follow rather sharply on the heels of the last. In 1957 premiums were raised by 12½ per cent. to 33½ per cent., according to the type of vehicle and the district in which it was garaged.

Reasons pointing to the inevitability of the next increase are:

- (1) Members of the British Insurance Association had a world-wide underwriting loss of £10 million on motor insurance in 1958;
- (2) The present upward trend in claims costs looks as though it will continue, partly because accidents go on increasing and partly because the costs of repairs show no decline, while court awards for damages add greatly to loss settlements.

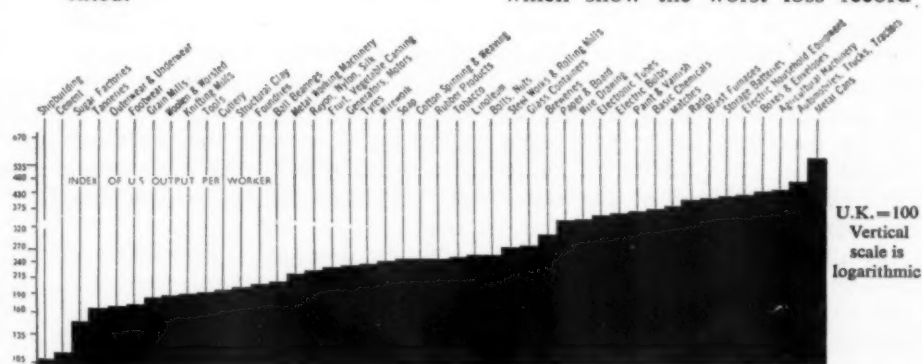
The administrative work of revising a complicated structure of premiums and of notifying millions of policyholders means that any rises in premium rates must not only take care of the present losses, but if possible anticipate a further worsening of claims experience by the offices. It would seem, therefore, that the increases may be severe, possibly averaging 25 per cent., with those districts of high population which show the worst loss record

being singled out for special attention. Pruning of policy cover is a possibility too—motorists may be required to pay extra if they take the car abroad, instead of being given this cover free, as now.

—Even though You're a Good Driver

IT SEEMS UNLIKELY that there will be any further increase in the rates of no-claim discount, in spite of the commonly expressed view that the good driver should be more favourably treated. The reason stems from the fact, not commonly understood, that it is a no-claim discount, not a no-blame discount. Motor insurance provides against the financial consequences of an accident, as far as damage to the car is concerned, irrespective of liability. The tradition has grown up, however, that if the blame can be placed on someone else the discount will be allowed, and the policyholder will not suffer. That may be very well as a practical precept when the wrong-doer can be traced, but if not—as when parked cars are damaged—the no-claims discount must logically be lost. It seems, therefore, that any increase in the discount would not only deprive the offices of income, so producing even higher premiums all round, but would also cause policyholders to complain even more loudly than they do now on losing a discount through no fault of their own.

The criticism is often made that insurers base their premiums on the car rather than the driver. Basic premiums are certainly calculated according to cubic capacity of the car and the district of its garage, and to a smaller extent according to its value. Some differences emerge (a) when the driver is sub-normal by reason of age, lack of experience or a bad driving record and (b) when the car is considered hazardous—for example, a fast open sports car. As to (b), underwriters discriminate by restricting the cover, imposing an excess, and/or charging an extra premium. As to (a), the underwriter owes a duty not only to himself, but also to other policyholders and the public in general, to ensure that the driver pays more. Penalties range from demand on a new driver to bear



a small "excess"—the first few pounds of each claim—at the one extreme, to a severe restriction of cover—perhaps only the statutory third party liability for personal injury being insured—plus a heavy excess, possibly deposited with the company at the outset, for a driver with an exceptionally bad driving record, at the other extreme.

Nevertheless, the public feeling that premiums ought to vary according to the driver much more than they vary at present cannot be gainsaid. It might seem to follow that any increase in average premium rates would be better received by motorists if the insurance offices scaled drivers as they now scale the drivers' cars. There is small prospect that the offices will do so, because of the practical difficulties flowing from the belief that the other driver is always worse than oneself!

Land Transactions of Local Councils

THE CHANGE TO market values in the fixing of compensation for the compulsory acquisition of land is the main part of the new Town and Country Planning Act (see our last issue, pages 353-4). But other parts also are of importance to local authorities.

Greater freedom is bestowed on the authorities to acquire, appropriate or dispose of land. The consent of the appropriate Minister required by many former enactments is dispensed with, subject to certain exceptions.

The Local Government Act, 1933, required the consent of the Minister to be obtained before a local authority could use capital received for the sale of land, or could make the appropriate adjustments in its accounts, but with some exceptions his consent is no longer necessary.

Nothing in the new Act affects the operation of the Local Government (Miscellaneous Provisions) Act, 1953, which provides that where money is applied from a capital fund established under that Act, the amount to be applied in any one transaction shall not exceed such sum as the Minister of Housing and Local Government may determine. Similar

provisions in local Acts will also remain unaffected.

Rating of Charities

NO CASE HAS been made out for any sweeping change in the form of rating assistance given to charities, states the report of the Committee on the Rating of Charities and Kindred Bodies (H.M. Stationery Office, 5s. net). But the time has come to introduce some uniformity and certainty into the rating reliefs now enjoyed. "A satisfactory scheme," says the Pritchard Committee, "should be simple and economical to administer and should not add materially to the rates borne by other classes of ratepayer. The essential basis should be mandatory relief for the great majority of the classes of organisation which have in the past enjoyed some measure of relief." Charities should be assessed in full, but with mandatory relief at the rate of 50 per cent., a rate which is recommended as striking a reasonable balance between the present extremes of total exemption in some cases and the very small relief in others.

The Committee does not consider that the term "charity" should be redefined for rating purposes only. Instead, the proposed compulsory registration of certain classes of charitable trust with the Ministry of Education or the Charity Commissioners should be extended to include all charities in rateable occupation of land, and made applicable for rating purposes. Such registration would meet the need for "a cheap and expeditious test of the status of a candidate for mandatory relief." Any disputes occurring before the register is complete should be left for settlement by the courts in the usual way.

Relief should be given only on hereditaments occupied for the purposes of the charity, except that almshouses should have mandatory relief whether they are rateably occupied by the charity providing them or by the almspeople themselves.

The exclusion of all universities from relief would not be justified

by the effect on the four rating areas most concerned, and would require stronger arguments than were presented to the Committee. It is proposed, therefore, that the universities should enjoy the same relief as charities, even though they receive Exchequer grants and charge fees.

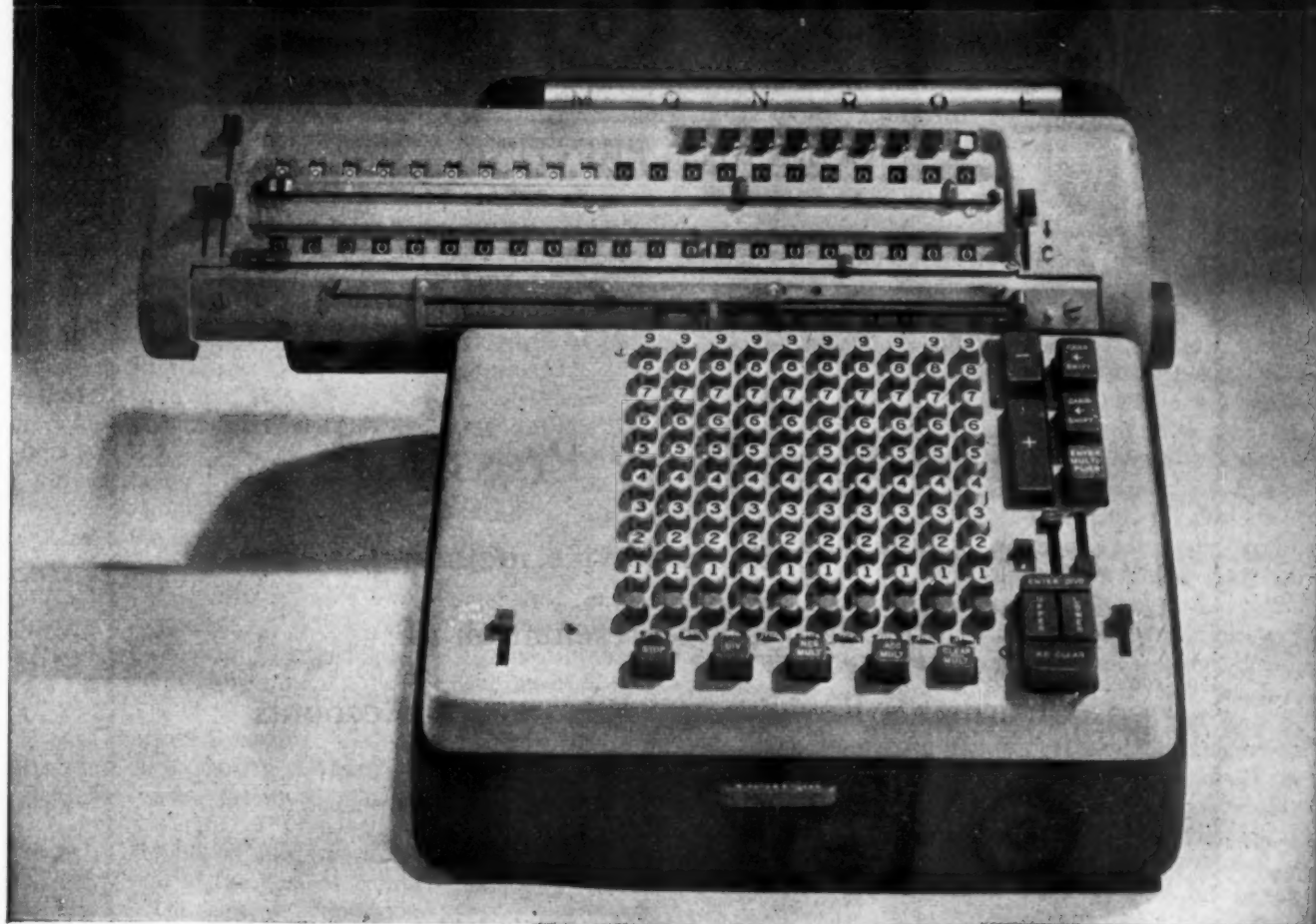
An important recommendation is that local authorities should have power to give further relief to charities at their discretion, and that "organisations on the fringe of the field of charity should be eligible for relief at the discretion of the local authorities."

Section 64 of the Education Act, 1944, exempting voluntary schools from rates, should be repealed. So also should the Scientific Societies Act, 1843, the Committee not being satisfied that these societies have any better claim to exemption than other charities. Most of the societies are charities and would qualify for the 50 per cent. relief; transitional arrangements should be introduced to ease the additional burden in the early years.

Other recommendations are that the discretion under the Sunday and Ragged Schools (Exemption from Rating) Act, 1869, for rating authorities to exempt such schools, should be withdrawn by the repeal of the Act, and that all reliefs under local Acts and Orders should be cancelled as soon as opportunity offers. Industrial research associations should enjoy the same relief (at present 50 per cent. by way of derating) as research establishments conducted by individual firms within the curtilage of industrial hereditaments.

No decision has yet been taken by the Government on the recommendations of the Committee, and the Ministry of Housing and Local Government says that no decision is likely to be reached for some time; there are to be consultations first with those concerned. The rating of charities will continue unchanged meanwhile: the relief enjoyed under Section 8 of the Rating and Valuation (Miscellaneous Provisions) Act, 1955, continues until 1963, unless the law is changed before then.

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Two New Offences on Premiums

A RECENT ACT, the Landlord and Tenant (Furniture and Fittings) Act, 1959, which came into force on August 29, creates two new offences relating to premiums for controlled tenancies.

It is now an offence to offer furniture and fittings at excessive prices as a condition of the grant or assignment of a controlled tenancy. It was already an offence to require such a premium but the new Act takes effect at an earlier stage—namely, when the premises are being put on the market.

The second new offence is to fail to furnish an inventory of the furniture and fittings, specifying the price asked for each item, to anybody who is supplied with particulars of the tenancy.

The penalty for either of the offences is a fine not exceeding £100.

Under the new Act a local authority which reasonably suspects that furniture and fittings are being offered at excessive prices may inspect the premises after giving not less than twenty-four hours' notice.

Cost of Workers Swapping Jobs

THE BRITISH INSTITUTE of Management has issued the ninth publication in its Personnel Management Series. The booklet deals with the difficult topic of the cost of labour turnover.* The steering committee responsible for the final report included representatives of the Institute of Cost and Works Accountants and the Institute of Personnel Management.

Changes in employment which lead to a better use of total national resources are naturally desirable, but a high rate of labour turnover contributing nothing to such an advance has troubled industry for well over forty years. Numerous inquiries have been conducted into it without, however, any substantial benefit to managements being apparent.

The study assesses the cost of labour turnover among direct production workers in sixteen concerns, and the costing methods devised

ought to be applicable to many other enterprises and not for direct production workers alone, but also for clerical and selling staff. It is the hope of the B.I.M. that managements will be encouraged to make the investigation needed to determine how far their own labour turnover is really costly. The methods, it will be understood, apply only to costs measurable in money. Many of those consulted held the view that the greater cost was the general effect on morale of rapid changes in personnel over a protracted period: that is a matter which, even more than the measurable items, can be investigated, if at all, only by individuals on the spot.

The three main questions which the authors investigated were the importance of the financial as distinct from the other effects of labour turnover; whether a study of these financial costs helps to reduce them even when the turnover remains constant; and whether the most important effects of labour turnover are measurable in financial terms. The answers to these questions are provided in thirty-seven pages and rather more extensive appendices, and it must be admitted that the picture presented only serves to stress the need for inquiry by the individual production unit. The appendices include a valuable comparison of B.I.M. costing methods with other cost formulae.

One general conclusion is that it is among the semi-skilled that the highest costs occur, because in this class the actual job tends to be peculiar to the particular company and new workers have to be taught it from the beginning.

The cost varied between 1½d. and over £3 per week per employee remaining in work; of the sixteen concerns investigated, five were adding over 10s. a week to labour cost *per capita*. How do these costs arise? It is suggested that one must look carefully to the effect on sales; to how much has been spent on training and the losses incident to it, such as increased scrap. Finally one must see whether one can reduce turnover by spending more on the medical and training departments and, perhaps, on fringe

benefits. When all this has been done it may emerge that the financial cost of reducing turnover is as great as letting things remain as they are! But even so the effects on other sections dealing with personnel may justify a change, let alone the imponderable effect on general morale. At least the investigation should be carried through—only so can managements know what their true position is.

Contracting Out

LAST MONTH WE recommended to employers considering whether to contract out of the new National Insurance scheme a booklet *National Insurance Act, 1959—Interrelation with Occupational Pension Schemes—A Financial Analysis*. The booklet, issued by the Life Offices Association (33 King Street, London, E.C.2) and the Associated Scottish Life Offices (23 St. Andrew's Square, Edinburgh), is obtainable from either body on application.

We again recommend this very useful booklet. It goes in some detail, but with commendable lucidity, into the financial *pros* and *cons* of contracting out the whole or a portion of the employees in a business. Very broadly, the dividing line of weekly earnings, above which contracting out is the more profitable course, is shown to be £12 for men, but to say that is to put the whole question in too simplified terms. The booklet admirably shows the complications.

Many employers will no doubt wish to take actuarial advice before reaching a final decision, but this publication does enable careful preliminary consideration to be given to the problem. Since the Act is intended to come into force on April 6, 1961, it is important (unless the general election results in a Government defeat) that those responsible for occupational pension schemes should lose no time in going into the contracting-out problem.

Obiter

"As I have said in this Court before, I am not sure that the Variation of Trusts Act will not come in very useful in construing trusts because if the Court cannot understand trusts

* *The Cost of Labour Turnover*. British Institute of Management, London. Pp. 79. Price 17s. 6d., plus 6d. postage.

it will substitute those it can understand."—Vaisey, J.

Mr. Justice Vaisey recently defined a gentleman's agreement as an agreement made between two persons, neither of whom was a gentleman, neither of whom intended to be bound by it, but each of whom hoped that the other might be bound by it. It was a plain nullity.

The Tax Lark

THE ANTICS OF Pop Larkin with what he calls the "tax lark," and the amoral goings-on of his large family, already put on celluloid by the Americans in *The Mating Game*, reviewed by us last month, are now to be seen on the stage.

The film transported Mr. H. E. Bates's *The Darling Buds of May* from the Weald of Kent to Maryland, U.S.A., translating story and accents accordingly. At the Saville Theatre the play keeps the title of the book and everything is doggedly English.

There is little dramatic contrivance in this faithful precis of the book and not much of the verve of the American free rendering. Elspeth March sparkles as Ma Larkin, against stiff opposition from some repertory performances. John Standing, as the officer from H.M. Inspectorate of Taxes, brings out well the human characteristics lying beneath the surface even of taxmen. But the tax theme is here a minor one. Pop deviously avoids joining the "tax swindle," but it is the crude luxuriating of the Larkin family in its profligate barter economy that secures most of the laughs of the evening—and the audience certainly guffaws loud and often.

Shorter Notes

Census of Distribution—Advisory Committee

Mr. B. W. Goodman, A.C.A., and Mr. R. McNeil, F.C.A., have been appointed to the Advisory Committee for the

Census of Distribution and Other Services to be taken in 1962 in respect of 1961. The chairman is Mr. J. Stafford of the Board of Trade.

Non-American Securities in the American Market

A booklet issued by the American Institute of Certified Public Accountants outlines the procedure and requirements for a non-American company seeking to put its securities on the American capital market. Among the matters on which the booklet gives information are: the registration of securities; the listing of them on stock exchanges; the over-the-counter market (in which transactions take place through dealers and brokers, involving negotiations between buyer and seller); and the State securities laws. Under these main headings detailed information is given on a wide range of topics.

Who Owns Whom

In our issue of October, 1958 (page 499), we noticed the appearance of a valuable new directory, *Who Owns Whom*, which gave the subsidiaries and associates of public companies in commerce and industry. The first edition of the book was quickly sold out and a new edition is now being published in two volumes (available from O. W. Roskill & Co. (Reports) Ltd., 14 Great College Street, London, S.W.1; Volume I, price £4 4s. post free; Volume II, price £3 3s. post free; Volumes I and II together, £6 6s. post free). Volume II, publication of which was held up by the printing dispute but which will soon be ready, might well be given the rather different title of "Who is Owned by Whom," for it lists parent companies in alphabetical order showing their subsidiaries, sub-subsidiaries and so on, whilst the first volume listed the same information the other way round. In addition to being useful (like Volume I) for reference purposes, Volume II enables one to trace how far a company may have moved away from its traditional fields by acquisition of other companies—how far, that is, it has gone in the current movement towards diversification.

Replacing the Two "Queens"

The Government has appointed a committee to report on the best and fairest way of replacing the *Queen Mary* and the *Queen Elizabeth*. The chairman is Lord Chandos, and the other members are Sir John Hobhouse and Sir Thomas Robson, a past President of the Institute of Chartered Accountants in England and Wales. The Conservative

party is pledged to support the replacement of the two Cunard liners, and the Prime Minister has said that the question "needs to be examined in its different aspects, both in regard to the Queen liners, which we obviously must have, and to the whole of the shipping industry." The Cunard Line's proposals for State aid have, however, encountered a good deal of criticism.

Jubilee Convention of New Zealand Society

The New Zealand Society of Accountants, which has a membership of more than 6,500, is to hold its Jubilee Convention in Wellington from March 24 to 30, 1960. The Golden Jubilee will be marked by the occupation of new head-quarter premises in Wellington.

Extra Pension for Postponed Retirements

The National Insurance pensions that can be earned by postponement of retirement beyond 65 (60 for women) are increased so that, for every twelve contributions paid after that age, 1s. is added to the insured person's retirement pension, plus for a married man 6d. to his wife's pension. The maximum increases will be 21s. for an insured person and 31s. 6d. for a married couple, on top of the flat-rate weekly pension of £2 10s. or £4.

H.P. at a Peak

The total of hire purchase debt is estimated to have been £742 million at the end of July. During that month the total rose by £34 million. This growth was at the same rate as in June, implying no change in purchasing power between the two months as a result of lending, net of repayments, under hire purchases. The end-July total was a record one, 56 per cent. higher than a year previously.

Investment Clubs

Up to the middle of this year, over little more than twelve months, there grew up some ninety investment clubs in this country. So states the National Association of Investment Clubs in its latest bulletin. Investment clubs affiliated to the National Association number forty-nine; they have their own specialised accounts, stationery and income tax dividend forms. The Association is forming regional committees on which to base a National Council and expects that the Council will be representing at least 150 clubs by the middle of next year. We had a note explaining the operation of the clubs in our issue of August, 1958, page 382.

EDITORIAL

Mute and Unloved

THE City of London tolerates Ordinary shares without votes but does not really care for them. Spokesmen of the investment trust movement have attacked them openly and other institutional investors are known to second the objections. The Council of the London Stock Exchange has not found it possible to ban dealings in non-voting shares but it has said that it does "not look with favour" on them. Many brokers and jobbers, and many investors also, rather than have the Exchange in London follow the example of Wall Street in refusing to deal in these voteless equities, would like to see them wither away by act of the companies themselves.

London is too big a market for it to do as the Birmingham Stock Exchange has done. There, the Council recently decided that save in special circumstances it would not grant an official quotation to an issue of non-voting Ordinary shares in a company in whose shares Birmingham is the principal market. In the City it is often said that the enfranchisement of all Ordinary shareholders is a matter best settled by a revision of company law rather than by an alteration in the dealing rules of the Exchange. Certainly any action by the London Stock Exchange which required such giant companies as *Marks and Spencer* or *Great Universal Stores* either to give all their Ordinary shareholders a vote or to lose the privilege of a stock exchange quotation would be drastic in the extreme—so drastic, indeed, that the reluctance of the Council to do more than express its dislike seems justifiable as well as natural.

The non-voting Ordinary share, however, is steadily becoming more and more disliked. Opinion has hardened because in recent years the disparity between the weight of voting and non-voting stock has been widened as a number of the companies concerned have made scrip and rights issues, and even issues in satisfaction of a takeover bid, in the form of non-voting stock. Again, in the last year or so there have been a few instances—the *Carreras* affair and the rumours about *Jaguar Cars* are among them—bringing home forcibly to investors the fact that some equities are more equal than others. At the same time, some companies—*Pye* is one of them—have voluntarily enfranchised all their shareholders. Recently, Mr. Hugh Fraser gave all shareholders in the *House of Fraser* a vote and that action certainly helped him to win control of Harrods in the struggle with Debenhams. The hope is that gradually more companies will extend the franchise. When *Marks and Spencer*, *Great Universal Stores* and *J. Lyons* do so the death knell of non-voting equities in large companies will have sounded.

The non-voting equity preserves the interest of a

family: unless the family agrees, control of the business cannot pass outside. The family, moreover, in selling control can, if it wishes, simply look to its own personal interest and ignore the claims of the voteless shareholders who shoulder much—perhaps the major part—of the financial risk. The danger lies in the perpetuities that non-voting equities are powerless to check: there is no guarantee that the ability of one generation will be passed on to the next. Control in an established company can at the worst become vested in the hands of an oligarchy with a minority fiduciary stake, caring little or nothing for its responsibilities to the voteless shareholders who have put their capital at risk. It is easy enough to argue on the principle of *caveat emptor* or to point to the cheaper quotation of the voteless share. But the point is that in many of these established companies the only way to participate in growth is to buy non-voting equities, for they are the only shares freely traded in. A shareholder who puts his capital at risk in buying a stake in the equity should usually have some power to criticise and to check the actions of the directors and managers. No company has suffered because shareholders have been free not merely to voice their criticisms but to express them in voting. If a family preserves control through the device of the non-voting equity and runs the business less efficiently than it might be run, economic resources are being wasted. If the business is well conducted and proper attention is paid to the claims of the Ordinary shareholders, then its directors and managers have nothing to fear in giving all the Ordinary shareholders a vote. They will not be voted out of office.

Nevertheless, in some circumstances there is a case to be made out for a voteless equity. The case is most apparent in the small but quickly growing concern, whose real strength lies in the intangible asset of the ability of one man or a small group of men who through their enterprise have set the company on its climb. More often than not, such companies have to rely heavily on self-financing. Their assets may be undervalued and their dividend policies will certainly be conservative. The non-voting equity will in these circumstances provide them with capital and at the same time protect them from a marauding raid by a takeover bidder who is less interested in the future viability of the company than in what he can get out of it at the moment. These circumstances must, however, be regarded as exceptional. The onus is clearly on those who preserve non-voting equities to prove to investors the need to do so. The investors are likely to treat non-voting equities more and more charily—and as they do so, the non-voting share will gradually disappear from the scene, unmourned as it was unloved.

Sir Oscar Hobson (the doyen of financial journalists) contributes the first of a number of articles by various authors discussing the report of the Radcliffe Committee.

The Radcliffe Report and the Bank

by Sir Oscar Hobson,

City Editor, *News Chronicle*

THERE CAN BE little doubt that from the immediate practical point of view Chapter IX, which deals with the organisation and status of the Bank of England, is the most important of the twelve chapters of the Radcliffe Report. It is the one chapter which advances clear-cut and concrete proposals for the reform of the mechanism of the monetary system.

It begins by describing the present "internal direction and organisation" of the Bank and then proceeds to consider the constitutional relationship of the Bank and the government, particularly the Chancellor of the Exchequer and the Treasury. Since the passing of the Bank of England Act of 1946, which nationalised the Bank, its directorate has consisted of a Governor, a Deputy Governor, four full-time executive directors and twelve part-time directors. In theory all the eighteen members of the Court have an equal responsibility for the conduct of the affairs of the Bank and an equal voice in all decisions. In practice it is very much a case of "some being more equal than others." Apart from the Governor and the Deputy Governor who, particularly through their contacts with the Chancellor of the Exchequer and Treasury officials, are often possessed of confidential information which they are not in a position to share with other directors, a committee of the Court, the Committee of Treasury, has by long custom come to wield special authority. No decisions of major importance, and especially decisions to change the Bank Rate, are arrived at unless they have been previously agreed upon by the Committee of Treasury. Originally that Committee was composed, apart from the Governor and Deputy Governor, of members of the Court who had passed the chair or other senior members. That was in the days before nationalisation, when the Court of Directors of the Bank was in effect a self-perpetuating oligarchy. Now, however, that all directors are appointed by the Crown a more democratic method of selection of the Committee of Treasury obtains, the five members

other than the Governor and Deputy Governor being chosen by secret ballot of the whole directorate, subject to the condition that not more than one of the five may be an executive director.

Government and Bank

It is in the Committee of Treasury, says the Radcliffe Report, "that the Bank's views are formulated on central banking." Directors who are not members of the Committee are not normally informed of its decisions—for example, on the fixing of the Bank Rate—until the meeting of the Court at which they come up for formal ratification. It is true on the celebrated occasion of the raising of the Bank Rate to 7 per cent. in September, 1957, the Governors consulted beforehand directors who were not on the Committee of Treasury. And it is true that the present Governor, in giving evidence before the Radcliffe Committee, said that he thought it right to keep all directors "in the picture" at all times, so as to make sure that he had their concurrence in any representations that he might contemplate making on behalf of the Bank to the Treasury.

Those facts might indicate a desire on the part of the present Governor to play down the authority of the Committee of Treasury and elevate that of the ordinary director, as a means of defending and strengthening the "independence" of the Bank *vis-à-vis* the Government and the public departments.

If that is so, the Radcliffe Committee will have none of it. The Committee recognises the special position of the Bank as "a separate organisation with a life of its own capable of generating advice, views and proposals that are something more than a mere implementation of its superior's instructions." It does not wish to regard the Bank as "a rather exceptional government department" in view of its special relations, as an operator and to some extent a controller, with the financial markets.

But the whole drift of this chapter of the report is to



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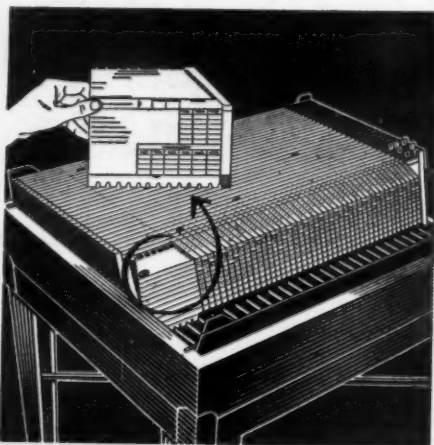
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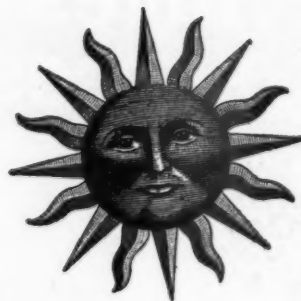
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stress the supremacy of the government and the subordinate, advisory, role of the Bank. The Committee does not accept the view that "the public interest requires that the central bank should be assured of complete independence from political influence." That might be appropriate to a different economy or a different system of government, but not to ours.

Part-time Directors

A lot has been made of the Radcliffe Committee's "reprieve" of the part-time director of the Bank, whose position was assailed on the occasion of the Bank Rate leak inquiry of 1957. The Committee accepts the view that the part-time director chosen for his experience of merchant banking or industry or labour relations can make a valuable contribution towards the policy making activities of the Bank Court. It accepts the Governor's contention before the Parker Tribunal that the quality of the advice which can be expected from a consultant who also has a corporate responsibility for decisions is superior to that which can be expected from a mere consultant.

Yet, in fact, the effect of the other recommendations of the report would be to reduce the corporate responsibility of the part-time director and to lower his status. Far from wishing to keep him "in the picture," the Committee insists that if its other recommendations for bringing up to date and into conformity with present needs the relations between the Bank and the government are carried out, there will be no need that he shall be told anything about such important matters as decisions to change the Bank Rate. It will not then "be either necessary or appropriate that the timing or measure of any change should be communicated to members of the Court before it is made public except for good order at the time of the change," and, again if their recom-

mendations are carried out, "we do not think the public will have any need to fear that part-time directors of the Bank of England are being exposed to any of the embarrassments in the conduct of their office which were the subject of special mention in the Report of the Parker Tribunal."

From this it is plain that the influence and responsibility of the ordinary part-time director, not on the Committee of Treasury, will be diminished. He will not be embarrassed by the possession of confidential information because he will not have any. It is also plain that the status of the Committee of Treasury itself will be reduced. The Committee of Treasury, says the report, "is and must be in essence advisory to the Governor and . . . it is upon him that falls the responsibility for initiating and formulating advice or proposals tendered to the central Government on behalf of the Bank or recommendations proposed by the Committee to the full Court."

The Proposed Standing Committee

The Bank's role is henceforth to be formally and publicly restricted to that of tendering advice. In order that it may be in a position to tender better advice it is to be equipped with a new high-powered intelligence and statistical department presided over by a fifth executive director. But even so, its advice will be suspect. *Quis custodiet?* asks the Radcliffe Committee and its answer is to recommend the establishment of a new Joint Standing Committee composed of representatives of the Treasury (four), the Board of Trade (two) and the Bank of England (four).

This committee, too, would have "deliberative and advisory" functions and its special assignment would be the "co-ordination of monetary policy as a whole." Is it really wise to insert this new cog into a mechanism which has hitherto worked smoothly through continuous informal exchange of views and news, between Whitehall and Threadneedle Street, at various levels from the Chancellor-Governor summit downwards? The Radcliffe Committee seems to have had some qualms about it and in its report gives no sufficient reasons for having overcome them. On general principles it must be questioned whether the new body would not be more likely to confuse counsel than to clarify it and to delay action rather than to speed it—though, as we know from painful experience, promptness and decision are often of the essence of successful monetary policy.

Bank Rate Announcements

I have left to the last that recommendation of the Radcliffe Committee which has hit the headlines of the popular Press more often than any other—its proposal that henceforth Bank Rate decisions should be announced to the public, not as now by the junior director attending the Bank's Court meeting on Thursday morning, but "in the name of the Chancellor and on his authority." In order that there may be no mistake about it, the report goes on to recommend that, when a change in the Bank Rate is decided on, a formal "direction" under the Bank

THE RADCLIFFE REPORT

Other articles we plan to publish on the Radcliffe Report are:

The Rate of Interest

by Professor E. V. Morgan, M.A.,
University College of Swansea.

The Finance of Industry

by H. C. Edey, B.Com., A.C.A.,
Reader in Accounting in the University of
London.

Monetary Policy

by H. G. Hodder, Manager, Intelligence
Department, National Provincial Bank.

Act, 1946, should be issued by the Chancellor to the Governor (after consultation with the latter, as provided by the Act) to put the change into operation.

Now the intrinsic importance of such an amendment of existing procedure would be small. It is true that, as the report says, the Governor has for many years (and long before 1946) sought the approval of the Chancellor before making a change in the Bank Rate. It is true, too, that in the event of a disagreement between the Bank and the government on the Bank Rate or any other matter of first-rate importance the government has the power, if it so wishes, to enforce its will on the Bank. Section 4 of the Bank Act, 1946, might provide a convenient means of doing so, but, failing this, other means could without doubt be found. That the government (which in practice would always mean the Treasury) is in the last resort top dog is not in dispute.

Bank Independence

What is in dispute is whether it is wise to think only in terms of the last resort. Certainly, the Bank cannot be guaranteed "complete independence from political influence." Nobody would dream of asking it. But to give the Bank a considerable degree of *de facto* independence from political influence would be a very different thing. The central banks of many countries, including the American Federal Reserve system, have it. A generation ago the staple advice offered by us to countries suffering from inflation was that they should have independent central banks. Have we dealt so successfully with inflation

since the last war that we can afford to admit that the advice was radically and basically wrong?

Surely the proper status of our central bank, even now, should be one of robust independence, with the will and power to stand up to any government Department, even though it will have to give way if the government thinks fit to override it—which, after all, it may be loth to do if thereby it has to reveal itself plainly as yielding to "political pressure."

The Radcliffe Committee admits that its recommendation of the setting up of the new Standing Committee "suggests some diminution of the Bank's influence in policy making" but thinks that "in substance there would be little change." It is very difficult to accept that assurance. If the new committee is to be so ineffective as to leave the Bank's influence in policy making unchanged, why set it up? Why not leave well alone? And that applies with at least equal force to the proposal that because the "true responsibility" for Bank Rate decisions now lies with the Chancellor of the Exchequer, therefore it is necessary to proclaim the fact from the house-tops.

The prestige of the Bank of England stands high in the City of London and the financial centres of the world. It stands high because despite nationalisation the Bank is believed to retain much of its former independent authority. There would need, as it seems to me, to be very convincing reasons for doing anything which would be calculated to destroy or seriously weaken that belief. I do not find the Radcliffe Committee's reasons at all convincing.

Our contributor outlines the nature of operational research, "an essential element of scientific management," and shows its applications, with types of commercial problems that can be attacked with its aid. He contends that the accountant has a central place in helping an O.R. team to work effectively and that certain accounting problems can be solved with the aid of the team.

O.R. and the Accountant

by Kenneth S. Most, LL.B., A.C.A.

IN AN ADDRESS given to a gathering of accountants and engineers in Paris recently, the speaker pointed out that operational research was both a state of mind and a technique. Given a certain mental training, a man will engage in operational research (O.R.) without even noticing it, because he will attempt to base his decisions upon a reasoned and comprehensive

examination of the likely consequences of a number of alternative courses of action. In this respect the scientific preparation of decisions can be regarded as the consequence of a state of mind, and as such, can be said to have been in use at all times in the history of mankind.

As a technique, however, O.R. is of very recent origin. It can be traced

to British efforts in the year 1939 to solve the problems set by the new science of radar, when there were formed groups of scientists with the task of applying statistical methods to these problems. By 1942, there were probably 1,000 scientists engaged in this kind of work in the three Services, and the American Forces were sending missions over

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here to study their activities. Among the problems tackled by O.R. groups we find: tactics to be adopted in bombing enemy submarines; methods of improving aerial detection of enemy shipping; and ways of diminishing the losses suffered by escorted convoys.

As a consequence of the wartime experiences with O.R., it has been adopted in a number of business organisations and recognised as an essential element of scientific management. There has been considerable study of its nature and potentialities, and much involved mathematics has been necessary for its development. The basic principles, however, are relatively simple, and a great deal can be achieved with quite simple mathematical equipment. It is the subject-matter of O.R. which is responsible for the complexity of its methods, because the preparation of decisions must take into account a number of variable elements and criteria, the alternative objectives to be attained and the heterogeneous nature of the data utilised.

It is in respect of the choice and production of data for use by the O.R. team that the accountant can make a major contribution to this work. But he can also benefit from O.R. if he is willing to call upon its techniques to aid him in solving certain intractable problems of financial and cost accounting.

Nature of O.R.

Operational research is performed by constructing mathematical models to represent situations, in the same way as models are devised to simulate the performance of an aeroplane before the prototype is built.

The expression "operational research" must be confined to efforts to resolve those problems which manifest the two characteristics of complexity and uncertainty. These two characteristics are present in the majority of situations calling for decisions by the management of a business. But they have another side which cannot be ignored; they are responsible for the fact that operational research must be a long and costly undertaking. Therefore, only

those problems that are of substantial financial significance are suitable for the application of the technique.

Application of Operational Research

In the application of O.R. techniques there are two equally important steps. First, the problem must be stated, and secondly, it must be solved. To state the problem it is necessary both to find the "model" and to establish the criteria, and it is then solved by the application of the various techniques to these elements.

The "model" is the description of the situation which it is proposed to study. It is usually presented in a mathematical form. There are other possible forms, however, including accounting.

Having ascertained the model, the next task is to apply to it the chosen criterion. The criterion is the quantity, which has to be an optimum, either maximum, as for profit, or minimum, as for a cost.

The techniques used are mainly linear and non-linear programming. The complexity of the equations used in linear programming is not inherent in the mathematics itself but results from the number and nature of the factors involved; the number of equations may attain the hundreds. Non-linear programming, on the other hand, is concerned with permutations, and the mathematics is therefore exceedingly complex. For this reason, linear programming is far more widely used at the present time than non-linear programming. As an example of the type of problem for which non-linear techniques are necessary, we may cite the case of a transportation organisation, such as a railway, which has to ascertain the most economical manner of serving a large number of stations by means of a number of alternative routes.

To give even a simple example of a detailed problem in O.R., and the working out of the solution, would take up more space than can be spared in this article. Those interested might refer to the example in an article "Operational Research and Financial Management," by Mr.

Stafford Beer, published in *Accounting Research* for January, 1957, (Vol. 8, No. 1) pages 5-10.*

Commercial Problems Suitable for Operational Research

At a given moment every business finds itself subject to the effects of certain limiting factors, such as working capital, rate of stock turnover and conditions affecting credit. In the face of these, the manager must take his decisions, not by studying each one in isolation but by considering the whole with its innumerable interdependencies. If these limiting factors can be presented in the form of a model then the various alternatives can be considered in turn, and the consequences of each ascertained, in order to arrive at a rational decision on the best course of action in the circumstances. Among the variables we may cite:

1. The price-volume relationship.
2. The choice of product-mix.
3. The level of inventories.
4. The maintenance of plant and equipment.
5. The choice of material-mix.
6. The choice of operating level.
7. The methods of distribution.

To a certain extent, these matters are dealt with by reference to a break-even chart, but the value of the chart is chiefly in its relation to flexible budgeting. In other words, the break-even chart can tell us the probable consequences of a number of alternative courses of action, once they are fixed: it cannot help us to ascertain which courses of action are to be considered in arriving at a decision.

A typical example of the type of commercial problem to which O.R. may be applied is that of stock levels. The works manager would like to maintain maximum stock levels, in order that the works may not be held up for lack of a necessary material. The managing director, however, is concerned with the financial problem; stocks involve tying up capital,

* Further examples, together with discussions of the scope and methods of O.R., are to be found in *Operations Research and Management*, edited by J. F. McCloskey and F. N. Trefethen (Johns Hopkins Press, Baltimore, U.S.A.); *Activity Analysis of Production and Allocation*, edited by T. C. Koprans (John Wiley, New York); and "Operational Research and Accounting," by S. Beer, *Operational Research Quarterly*, Vol. 5, No. 1.

perhaps borrowing, with all the attendant cost factors. The task of resolving this problem must take into account such questions as delivery delays, rate of stock turnover, production requirements and, eventually, the trend of market conditions.

A problem of another type is presented by the manufacturing situation, which usually involves choosing between a number of different types of products and a number of different ways of producing them. Or, the question may be, shall the business maintain its own transportation department or hire lorries and other vehicles according to its needs? Which services shall it perform for itself, and which shall it purchase from outside sources? Are components to be manufactured or purchased from other producers? It will be apparent that the solution of these different commercial problems will start from and return to the accounting department of the business, and it is therefore necessary to examine the relationship between operational research and accounting.

Accounting as a Tool of Operational Research

It would seem that, in the first place, it would be the chief accounting executive of an organisation who should decide which problems are suitable for treatment by operational research. It is he who has at his disposal the necessary figures, and it is he who is constantly faced with the current situation of the two critical elements of business performances, revenues and costs.

Secondly, the chief accounting executive will be called upon to aid the operational research team to construct its models and to select its criteria. Further, he must then choose the figures necessary to insert in the framework of the model, those which are the most exact available and the most appropriate for solution of the problem.

In posing the problem, for example, it will be found that the particular form in which it has been presented is related to a number of other problems for which no solution is to be found. If it is desired to

minimise transportation costs, the study of transportation problems will reveal all sorts of interdependencies between the policy of the business, the rate of gross profit obtained, the type of advertising expense incurred, the range of products manufactured, and so on. The chief accounting executive must therefore specify which conditions may not be affected by the solution to the problem—for example, the proportion of total sales made to wholesalers and to retailers—or the factors—such as the physical limitations of the packing and dispatching department—that are not susceptible to change.

The figures that the chief accounting executive will provide for the operational research team must be carefully selected, so that abnormal or non-recurring elements do not falsify the solution. Not all of them will be available in the books of account; in some instances extrapolation will be required; in others, data of time and quantity normally not recorded in monetary terms. It is particularly necessary that non-accounting figures should be chosen by the chief accounting executive, as only he is in the position to iron out the irregularities which statistics obtained from operating departments frequently contain.

The Role of the Accountancy Profession

In view of the immense potentialities of O.R. and the great responsibilities which will lie upon those accountants who must collaborate in it, the necessity for improving accounting techniques takes on an added significance. This improvement has a two-fold aspect; first, the theory of accounting must be adequately explored and defined, and secondly, its methodology must be standardised and put upon a uniform basis.

An accounting system and the relations between its different accounts can be demonstrated in graphic form and reduced to a system of equations, which will be found to be of a linear type. The movements of accounts also conform to certain mathematical rules, and resemble what mathematicians call

“vectorial” systems. But the significance of accounting is that it is a language both simpler and more widely understood than that of mathematics. Simulation, for example, is easier in terms of book-keeping than in terms of mathematics; we are, for instance, accustomed to making budgetary provisions.

In order for it to provide a satisfactory basis for O.R., however, not only must the theoretical basis of accounting be developed, but the book-keeping part of it must be standardised. Particularly in respect of separating operating from non-operating revenues and expenditures, allocating costs and classifying assets and liabilities, present practices reveal gross deficiencies, which stand in the way of utilising accounting figures for the scientific preparation of decisions.

Operational Research as an Aid in Accounting

Certain accounting problems which lend themselves to O.R. can be clearly visualised. The optimum number of suppliers who must be consulted when obtaining quotations for a product which is to be purchased, for example, can be ascertained in exactly the same way as the optimum number of vessels to be included in a transatlantic convoy having a certain escort force. This work has been done in France, where it has been ascertained, *inter alia*, that the number of suppliers should be ten where the purchase price does not exceed Fr. 416,000, and rises to eleven where the purchase price is Fr. 475,000. Another example is the calculation of the most effective way to utilise a bank credit of a given amount, so as to incur the minimum annual interest charge.

Other accounting problems, and among them the most difficult, are suited to treatment by O.R. One of the key problems in cost accounting, for instance, is that of the apportionment of overheads, and a number of factors contribute to its difficulty. One of these factors is the possibility that overheads will be apportioned to services, which will then be apportioned to other departments which

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have already received their apportionment of the identical overheads. If there are a number of departments, then a rational solution to this problem requires solving a number of equations—the process of solving them is, for all practical purposes, O.R.

Many more accounting problems spring to mind in which O.R. could be most useful. The valuation of certain assets, such as stock-in-trade; calculations for depreciation and making provisions for bad debts and guarantees; the extent of checking as an aspect of internal control, as well

as of internal and external audit; all these problems are clearly suitable for the application of this new technique. Operational research points the way to great strides forward in the next few years, which could transform the basis of the accountancy profession as we know it today.

Accountant at Large

Accent on Property

THE ACCOUNTANT MUST in the nature of things rate honesty very high among the virtues. Since it is his business to see that the cash balances, he must think the thief at best an intolerable nuisance.

Even so, many accountants who in their time have had to look at the criminal law must have wondered whether in England we do not show an almost excessive zeal in punishing the thief, at any rate when his possible punishments are compared with those of other offenders. Embezzlement can earn a clerk fourteen years, but for cruelty to children he can be awarded only two; larceny by a lodger may get him seven years, but common assault upon his landlady can get him only one.

This accent on property is the more curious in the framework of a legal system that very properly considers the freedom of the person the basis of all other freedoms: it is a proud tradition of the courts that a *habeas corpus* application takes immediate precedence over all other business. One is tempted to oversimplify: the law will see to it that you are not illegally detained, that your property is not taken from you, and that you are not assaulted, in that order.

We have a long tradition of severity in the protection of property. The fragments of history that most of us carry from our schooldays include such legal memories as the juries who

would not convict obvious thieves because the penalty was still death or the transportation that helped to populate Australia. Law reform is a very slow business, and it will doubtless be a long time before we approximate at all closely to that great Mikado, virtuous man, who so signally made the punishment fit the crime. But our approach to the rational has certainly been hastened by a recent publication* by a committee of *Justice*. (*Justice* is the British section of the International Commission of Jurists).

The report surveys a much wider range of anomalies than our inherited accent on property. It makes the point that the absurdities so regularly pilloried in the popular papers arise more often from the exercise of the judges' and magistrates' discretion than from the law itself; but, as the committee also remarks, the maximum penalties laid down by law must influence the courts even though the sentences they impose are usually well within those maxima; and there are anyhow several maximum sentences so small that they are regularly imposed, judicial discretion in such cases being virtually non-existent. The report instances street betting and prostitution as examples, and recalls that it is only quite recently that the penalty for fraudulent travel on the railways

was raised from £2 to £5. "We express no opinion as to whether the new limit is high enough."

The committee remarks that "a striking example [of the contrast between property and person] is that the abduction of a woman with intent on her fortune involves a maximum of fourteen years, but the abduction of a girl of fourteen with intent on her virtue only two years."

It is particularly interesting to consider the facts with which the report is packed against the theory lately propounded by Lady Wootton that penalties reflect in their severity the predilection or otherwise of the governing class for the offences concerned. Her most quoted example, in the widespread comment on her theory, was the leniency of the law to even the gravest of motoring offences, notwithstanding the fact that a high-powered car is at least as lethal a weapon, misused, as any flick knife could ever be. And the theory certainly fits an uncomfortable number of the anomalies listed by the *Justice* committee. It is much easier to say "There but for the grace of God go I" when in fact the offence that has been committed is one that I or my friends might conceivably have committed.

Not that the law is consistent even in the application of its own property-severity. The maximum penalty for obtaining goods, money or a valuable security by false pretences is five years: simple, comprehensive, comprehensible. But none of these adjectives can be applied to the penalties for larceny. The committee thus recite them:

Larceny of dogs after a previous conviction is punishable by eighteen months' imprisonment; for larceny of

* *Legal Penalties*, Stevens & Sons, 3s. 6d. net.

deer (after a previous conviction), of fish, of hares or rabbits by night, of ore or any larceny of up to £5 in value by a tenant or lodger, the maximum is two years' imprisonment; for simple larceny and also for larceny of documents of title, electricity, fixtures, plants or trees it is five years; for larceny of postal packets by an officer of the Post Office, or for larceny over the value of £5 by a tenant or lodger it is seven years; for larceny by a clerk or servant, larceny from the person or from ships, docks, etc., larceny in a dwelling-house, larceny of cattle or of certain goods in process of manufacture, it is fourteen years; and for larceny of postal packets from mail bags or of wills or for larceny by an officer of the Post Office of a packet containing a valuable

security, it is life imprisonment. (This list is far from including all the varieties of larceny known to the law.)

One such further variety is dredging for oysters (three months); and the list of offences appended to the report contains other material for those who would rather laugh than weep. Signalling to smugglers, by virtue of the Customs and Excise Act of 1952 can earn you a year and/or a fine; malicious damage to works of art over £20 if committed at night has a maximum of five years, while ten may be awarded to anyone who threatens to burn a house. If you maliciously damage cattle or hop-

binds you may get fourteen years; if you trade with pirates the sentence may be life; it may be death if you set a ship on fire.

There is obviously a great deal of social history in all this variety but we could with better heart wish the social historian well in his examination of it if it were not all still the law of the land. *Justice*, making out an indisputable case for reform, recognises that it will be a considerable task, probably involving changes which do not come under the heading of revaluation of penalties, but affect the substantive law. It should be tackled: the accent on property that was proper to the Forsytes is no longer "in".

A paper given at the Summer Course of the Institute at Christ Church and Merton College, Oxford, in July. The first part appeared in our July/August issue, pages 378-383.

Business Efficiency—The Part of the Accountant

by C. I. Bostock, M.A., F.C.A.

HOW SHOULD IT BE DONE?—CHOICE AND SELECTION

34. Once the accountant can see clearly what is needed he should not have great difficulty in planning how to get the information. Apart from the Institute's catalogue there is a fair amount of literature and a great deal of specialised knowledge on the solving of particular problems. Above all it should be recognised that in the promotion of business efficiency the accountant needs to rely much more on clarity of thought and common sense than on technical skills.

35. *Business Efficiency* should be viewed as a primer: as essential to an understanding of the accountant's contribution to business efficiency as *Kennedy's Latin Primer* is to an under-

standing of the Latin language. But like *Kennedy* it should be mastered fairly early in life so that the accountant starts on his career with the essential grammar.

36. The existing literature on the productive accountant is often criticised on the grounds that there is too much theory and not enough to show how the principles should be applied in practice. Quite often this criticism comes from those same people who are the first to say that "of course our business is not like any other." These critics cannot have it both ways: either the accountant's contribution can be limited to the application of a few stereotyped techniques which can be adequately described in one textbook; or, there is a wide scope for the application of general principles and the accountant can claim that his help is valuable in every business.

I think there is no doubt that the second alternative is the right one, and, if this is the case, the accountant has got to master the principles early in life and then apply them. If he cannot think what to do in a particular instance he may get real help from such books as *Business Efficiency*—and I shall try to show later on how he may seek this help—but he cannot expect to find pre-packaged solutions for all his problems. Common sense, experience and an orderly mind must be the accountant's chief equipment and he will not get these from even the best books.

37. *Example*. In order to get right away from the milling and grinding machines which so often insinuate themselves into writing on this subject, I take for my example a retail store. The business analysis has revealed that it is a

single departmental store in a residential area in the south of England. By the nature of the business its success is largely in the hands of the departmental buyers, who are responsible for deciding what merchandise will be offered to the public and the prices to be put on it. The management feels that it is shortage of working capital that particularly restricts the development of the business, and there is a feeling that the conduct of the business is to too large an extent in the hands of the departmental buyers. The accountant is asked to say whether he can suggest any way in which the management can assess the claims of the different buyers on the available cash so that it is put to the most profitable use.

38. Now it is quite likely that in a retail store of this kind there is a feeling that it is extremely difficult to plan or budget ahead. The trade is at the mercy of a fickle public and a treacherous climate. It is thought to be impossible to say today what will be sold tomorrow, let alone what will be sold next season. On the other hand, since available working capital is limited the profitability of the business will largely depend on making the best use of this limited commodity of money. The accountant may decide that he should concentrate on establishing a system of budgeting which will:

- (a) enable the management, through a consideration of a long-term cash forecast, to deploy its finances to the best advantage;
- (b) provide a standard of measurement by which to judge the performance of the buyers and to make any changes in policy which are necessary.

39. Since the cash forecast presupposes sales budgets, the first reference is to the section on "sales and distribution" in *Business Efficiency*. There is a special section on retail sales, but there are also some useful remarks about sales budgets—"The budget may be based upon an estimate of the sales potential of each salesman" (for the present purpose for salesman read buyer or department)—"A sales budget should have the confidence of all those who will contribute to its attainment. Consequently a salesman or area manager should be consulted before his particular quota is set." It is clear that the preparation of the sales budget must be a joint effort by the buyers and the management. The section on retail sales says "In measuring the efficiency of a retail shop, the management is likely to look primarily at money turnover on a short-term basis and at the rate of gross

profit on a longer-term basis. . . . In order to obtain an indication of efficiency in the retail trade it is necessary . . . to analyse under departments all sales, purchases and expenses and to devise some method of assessing the value of stocks held by each department. In many businesses it may be that the analysis of expenses need extend no further than an analysis of the wages of buyers and sales staff." To the accountant who is framing proposals for a system of departmental budgets this should give him the essential clues, which are:

- (a) departmental analysis of the past to the extent required;
- (b) this analysis to be used to compile departmental budgets concentrating on money turnover and gross profit and dealing also with stock levels;
- (c) primary responsibility for the preparation of the budget to be in the hands of the departmental buyers, but the budgets to be reconciled one with another and to be fitted into an overall picture of the business as a whole by the management.

40. In Appendix "A" I have suggested to the accountant a form for the preparation of a departmental budget showing details of the past and room for the insertion of the budget figures. The information which appears on it is all referred to in the sections of *Business Efficiency* quoted above, and the only additional knowledge which is required of the accountant is of the principles of budgeting of any kind. There is nothing remarkable about the form except that it is less easy to find examples of such forms than of those used to report actual results. It will be obvious that all forms used for budget preparation are fairly similar, but I do just want to draw attention to the part dealing with staff. Here the buyer is asked to budget in terms of heads in his department. It has been assumed that the accountant will later turn this information into sterling. Since the departmental buyer almost certainly has little control over rates of salary—which are normally settled by policy—it is both fair and labour-saving to ask him only to count heads. This is a sound principle, frequently followed, which requires a manager to budget only so far as his authority extends: in this instance the buyer determines the number of staff but not the policy on salaries.

41. When the departmental budgets have been prepared and settled, the accountant has to turn to the question of the cash budget, and he should refer to the section of *Business Efficiency*

headed "Financial management." Here the steps are clearly set out:

"The first step is the consolidation and co-ordination of the sales budget and the various expenditure budgets . . ."

"The result of this will be an 'operating budget' showing a budgeted net profit before tax."

"The completion of an operating budget on the lines indicated above makes it possible to prepare a cash budget once appropriate adjustments have been made to the net profit figure" (these adjustments are then described).

42. I should not think it necessary to say any more about the preparation of the cash budget nor to give any illustration if I had taken as my example the kind of business which only needs a cash budget covering a year in one step, for an example is given on page 44 of *Business Efficiency* of such a budget. But for the accountant in the retail store this will not be a perfect guide, for, as is stated in paragraph 168, the cash budget will need to be "phased into shorter periods, whether quarterly, monthly or even weekly, according to the nature of the business and the importance of close control over money." It is therefore worth showing in Appendix "B" a form for a monthly cash budget based on the estimates of departmental profits already referred to and further estimates of administrative expenses and special payments and movements in working capital. Here again the accountant who is putting *Business Efficiency* to use has had to contribute nothing more than some special knowledge of the particular business which the business analysis already described should have given him.

CO-OPERATION—WILLING OR UNWILLING

43. During this process of choice and selection it is important for the accountant to resist any temptation to act as a "backroom boy" who hatches his proposals in secret and then presents them in final form to the people who are going to have to put them into effect and get value out of them. It is the accountant's job throughout to give a service to management and not to try to manage them. Where something new in the way of assistance to management is being done the accountant should go by stages as follows:

- (a) as a result of his study of the business and its problems, sketch out the way in which he thinks they should be tackled and what it will be necessary for each member of the management team to do to put the ideas into effect;
- (b) seek the general approval and, if at all

available, the interest and enthusiasm of the management for his proposals;
 (c) encourage criticism from the potential "users" and test each proposal against the users' reactions to see that it is valid;
 (d) produce a final plan after looking at each step in each proposal to see that nothing has been left in it which is not essential to the efficient working of the whole. Here particularly the accountant should bear in mind the cost of his information service and should avoid any frills or embellishments which are not strictly essential.

44. These stages presuppose a co-operative management, and I have tried to stress that it is necessary for the accountant to seek the co-operation and active approval of the managers for all he is trying to do. This is because, where management accounting is being consciously introduced where none previously exists, it is very easy to overload management with figures and to induce indigestion. If this were the only ill effect, it might be worthwhile, as there are occasions on which the only way to get a man to change his methods is to overload him and thus force him to examine what he is really trying to do. But if too much is attempted at once the trouble will not stop at indigestion. The symptoms—for which most managements keep a careful watch—are too much paper and too high a clerical cost; the further diseases induced—which should indicate to the accountant that something serious is wrong with his method—are resentment against the accountant for venturing out of his department, frustration because no manager feels that he can move in any direction without a great deal of paper authority and, finally, sabotage, by direct or indirect intent, of the proposals themselves. The only satisfactory way of avoiding these reactions is to go slowly and to try at every point to convince the managers that most of the new ideas have come from them. If the accountant is honest with himself he may recognise that this is largely true, in that his main function has been to show the managers how to do what they have thought needed doing; but, even if this is not the case, the accountant may find that a little modesty will materially contribute to the success of his proposals.

45. If the accountant who comes into close touch with the managers does not already realise it, he will quickly learn that the kind of knowledge which he brings to bear is of a much more general nature than that which is possessed by many managers. The technologist, engineer or scientist will often make the accountant acutely aware of the poverty

of his own intellectual equipment. This is not to say that the accountant cannot make an essential contribution to the success of the business, but he must at all times recognise that he is more of a general practitioner than a specialist.

46. Having drawn attention to the merits in many instances of the accountant being self-effacing, it is conversely also necessary to note that there are occasions on which the accountant must have the courage of his convictions and must be prepared to press his point of view strongly. Where the accountant is unable by advice to press on management the value of the help he is able to give he must be prepared to force the issue. If the managers will not apply themselves to the future the accountant may have to compel them to do so, by producing good reasons why they should not do what they want to do unless they are prepared to give him the information he needs to assess the effect of their proposed actions on the business in the future. The accountant, in his traditional role as the keeper of the purse of the business, will be appealed to on occasions to say whether or not the cash is available for a particular project: this gives him the opportunity of saying that he can only say "yes" when he has the information, for instance, to enable him to prepare a forecast of the future calls on the cash resources of the business. In another case he may feel that he is unable to advise on the merits of a sales policy until attention has been given to the costs of products. The accountant obviously does not wish to gain a reputation for being a "no-man," but there may be occasions on which it is only in this way that he can force management to pay attention to the efficiency of the business and to spend some of their time and energy on the study of figures.

HOW CAN IT BE DONE?

47. Once the accountant has clearly in his mind what is the information which will assist management to take decisions which contribute to the efficiency of the business, he has next to consider how the information can be produced at the least cost to the business in terms of clerical effort and disturbance to the operations of the business. He should attempt to achieve his result by acting first on the following assumptions:

(a) it is likely that the management already make a much greater use of figure information of all kinds than is generally realised. Existing management accounting may well be an iceberg of which there is much more below the surface than above;

(b) because there is no formal system for the collation and presentation of information to management he should not assume that the basic information does not exist, as it will frequently be found to exist though not for the purpose for which he wants it;

(c) there is probably a great deal of clerical brain-power and time being used inefficiently which can be converted to new work at negligible cost to the business;

(d) wherever appropriate the information needed should be presented in terms other than money on the grounds that the conversion of terms to money is itself a costly business.

The existing use of figures

48. Many of the matters discussed in *Business Efficiency* are not accounting matters in a strict sense—they are not, that is, the kind of transactions which ultimately appear in the nominal ledger, even where that ledger adequately fulfils its proper function as the nerve centre of the business and represents a fully-integrated costing system. As a result it will generally be the case that in the past management has obtained certain basic information which it needs direct from the departments concerned and has not thought that it in any way concerns the accountant or his department. If the accountant is to be thought of as the information officer of the business this is wrong, but *qua* accountant/bookkeeper it is a reasonable attitude.

49. The first step of the accountant who is setting out to implement proposals contributing to business efficiency should, therefore, be to find out on what previous decisions have been based. Some will, of course, come into the category of pure hunches but most will have been based on some evidence. For instance, in a small jobbing engineering works in southern England it seemed as though the managing director arrived at the prices at which he quoted for work by pure intuition—there was no job costing, there were no financial records which gave any information about the efficiency of the works and the annual accounts were content to set out the trial balance on appropriate sides of two sheets of paper under such broad headings as purchases, wages, salaries, office expenses. On enquiry it was found that there was a job card attached to each batch of work and not only did the managing director look at them very frequently, but he had instituted a system under which he marked in blue pencil beside each operation the time he thought it should

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take: the actual time taken was booked against these estimates. Thus, not only was he using a simple form of standard costing for labour, but as the job cards were kept by the foremen, he was successfully giving each foreman the information he needed to judge his success as a manager. It follows, of course, that the managing director was in quite a good position to estimate for new work, provided, as was the case, that the business was largely selling the skill of men's hands rather than large quantities of material or great and expensively accumulated know-how. On this foundation of information the accountant was able to build a sound system of expenditure control in the works.

The existing sources of information

50. Even in cases where there appears to be no obvious use of figures by management there may be a great deal of basic information in use for other purposes. Some examples of these sources are:

Quantities measured for piece-work purposes. These are often used for the calculation of wages and nothing else, but they provide the essential information for measurement of output, for assessment of the performance of different sections of a works, for progress purposes and for control of labour cost.

Technical and design specifications. These are essential for deciding how to make a product: they may be invaluable for establishing control over materials, for the formulation of a buying policy, for control of stock and work in progress, for control of scrap, as the basis of standard material costs.

Meter readings and tank dippings. Particularly in chemical works and process industries, a great deal of information may exist in the form of routine records which have to be kept to run the plant. A tank may be dipped daily in order to decide where to store the next day's production or to accommodate the next delivery of liquid raw material: incidentally this information can be used to measure production, or consumption; it may be helpful in assessment of losses and in costing and control of batches of production.

Gang time books, overtime authorities, etc. In addition to piece-work records there are often other records designed to assist in the calculation of wage payments which provide essential information for general control purposes. If the records do not immediately provide the information which is needed it will often be possible to elaborate them very slightly so that they do.

These are only some examples of the kinds of records which constitute the raw materials of costing and control

arrangements. In most businesses the accountant who carries out a careful investigation of the recording processes will be surprised at the amount of information which already exists. There will generally be some annoying gaps which he has to fill before he can produce to management the reports they need. But his chance of getting his ideas accepted is greatly increased if he can show that most of the information is already available and that only a little extra effort is required to fill the gaps. For the purposes of getting his ideas through he may be able to make estimates of the missing information which are accurate enough to make his point. In making proposals it is a great help if he can produce from the existing information, helped out by a few estimates, a dummy run of the information he proposes to give to management.

The existing staff

51. It is natural for management to approach any proposals for increasing the figure information in a business with caution and to ask the accountant how many more clerks will be needed to work the system he is advocating. But it is quite wrong to assume that all the work involved will be extra work. In the previous section it has been shown that a great deal of the basic information may probably exist already or, if it has to be improved, can be modified at very small cost in terms of extra labour. There will almost certainly be instances which will show that there is duplication in the existing records, however meagre they appear to be. Where there is nothing like a central information service for a business there are often small private empires, built round individual managers, who have felt the need for certain information and have assumed that the only way to get it is to get a clerk of their own to do it. These empires can often be profitably amalgamated and centralised so that one lot of basic information can serve several purposes. This, after all, is the principle behind the efficient use of punched-card machines and it is equally applicable to many manual systems.

52. Apart from eliminating duplication of effort, it is an unusual business in which there are not any clerical procedures which are unnecessary. Habit, effluxion of time and Parkinson's Law all tend to the production of unused information.

53. Wherever possible new information should be produced by existing staff, not only in order to save cost, but also so that the minimum disturbance is

created. It is very tempting for the accountant to engage a number of new clerks, whom he can select from those who have had previous experience of modern accounting departments and methods: but if the existing staff is not used to the greatest possible extent there may be uncomfortable redundancies later on. The ways in which the accountant sets out to be of service to management seldom involve complicated techniques, and retraining and internal promotion should always be tried before new appointments are made.

54. Staff may have been frustrated in their work in the past for a number of reasons, and it will often be the case that great reserves of energy and initiative will be released as soon as they begin to feel that the accounts department is making a positive contribution to the prosperity of the business.

GETTING IT ACROSS

55. If the accountant is to take the initiative in providing management with useful information he must treat it as a marketing operation. At the least, the fact that he suggests that management needs more information than it has at present implies that previous success in management has come more by good luck than good judgment, and it will often be the case that the accountant will appear to be charging management with downright inefficiency in its previous methods. Such an attitude may be easily resented and may generate opposition which will be too strong for the accountant. If he is to carry through his task to a successful conclusion he must satisfy the customer at every stage. His marketing operations should therefore aim to:

- (a) convince management that he is genuinely out to help and to make their work easier;
- (b) deal with the problems one at a time in a logical order;
- (c) show quick results at each stage;
- (d) encourage management at all levels to decide themselves what information they need to do their jobs;
- (e) encourage constructive criticism;
- (f) welcome any feeling on the part of the management that they are the main source of new ideas.

The methods to be adopted to achieve this aim will vary in every case. In the simplest and best instances the accountant will be able to discuss problems with managers and work out solutions on the spot. He can throw out ideas as he goes along and will probably find that the better ones are seized at once and put into operation. There is no need in such

cases for long reports and meetings to consider them.

56. Where the problems are more complicated the approach must be more formal. Used in moderation any of the following may be useful:

Initial meeting of those concerned.

This will be designed to stop rumours of what is being intended, to reassure staff, invite co-operation, give details of what is proposed in order to encourage suggestions and generally to set the stage for the work.

Committees. Formal committees to do the work (possibly with a better name if one can be found) can help in speeding up the work by ensuring that all points of view are represented and borne in mind. They can be used to create a feeling of co-operative effort and may ensure that all concerned are determined to make the final proposals work. But committees, by whatever name they may be called, probably need to be used in moderation because they are time-consuming. There is no point in using six people to frame proposals if one can do it just as well. Perhaps the best use of a committee is to carry out occasional reviews of the progress of the work, leaving the day-to-day work to be done by individuals.

Liaison officers. In large organisations where the drive towards business efficiency comes from some central department it may be helpful for that department to appoint someone to act as a liaison officer with the other sections of the business concerned in the changes. This can help to prevent misunderstandings and to disclose snags quickly. Normally in smaller businesses the person who is doing the work—probably the accountant—will be in close contact with the other managers concerned and will be his own liaison officer.

Demonstrations. It is often easier to demonstrate how a proposal will work rather than to describe it. If, for instance, the proposal is to set up a revenue budget, it may be very helpful if the accountant draws up a specimen set of

forms for calculating a budget, with appropriate details of past results, and actually runs through the process of preparing a budget with the managers concerned. If machines or gadgets of any kind are to be used to produce the information there is a strong case for demonstration.

Test runs. These are not quite the same as demonstrations, as it is assumed that a test run will seek to provide the information which is needed over a considerable period: the test will include the use as well as the preparation of information. It is often possible in a factory where standard costing seems appropriate to select a small section of it and to apply standing costing to the activities of that section for some weeks or months in order to prove the system. This can be effective marketing and invaluable for development purposes.

Manuals. Especially where activities are to be sporadic—as in the preparation of annual budgets or the making of capital proposals—there should be a simple manual which sets out what is required to be done and when. Like committees, manuals should not be allowed to get out of hand, and some of the matter which is issued as working instructions of a new system can be destroyed as soon as the system is working properly.

Suggestions. There should always be positive encouragement for suggestions. Suggestion schemes do not always work but they often produce valuable ideas. In the smaller business one may hope that they will come forward informally and automatically, but this cannot be assumed to be the case. One of the merits of a good scheme is that it should enable a suggestion to surmount the common barrier of an immediate superior who is reluctant to change his ways.

THE ACCOUNTANT'S LIMITATIONS

57. Having tried to examine the ways in which an accountant may hope to be able to assist management, the time has come to state the limitations of the

accountant in the promotion of business efficiency and to make it clear that there will be many occasions on which the accountant must admit his ignorance and leave the stage to other experts. There is a danger that from a study of *Business Efficiency* the accountant may become slightly swollen headed and may hold himself out as a more potent aid to management than he is. On the other hand, as it is the case that most businesses have contacts with accountants while many have none with economists, statisticians, work study men, etc., part of the accountant's service to management should be to know enough about the skills of other experts to be able to advise his management when their expertise should be employed in the solving of problems.

58. Whilst speaking of the accountant's limitations it is only necessary to emphasise his capacity as a general practitioner rather than a specialist. Like the general practitioner he must be prepared to spend time keeping himself up-to-date. The accountant who is concerned with business efficiency must read widely about his subject, attend courses and conferences, visit exhibitions and develop the kind of enquiring mind which is not satisfied until it has learned enough about any new subject to be able to assess its part in solving problems. He cannot expect to be expert in everything from work study to operational research, nor is it his job to try. But since at times the promotion of business efficiency calls for the use of special skills and since there is at least a chance that no one other than the accountant in touch with the business will have even heard of these skills, he should try to spread his general knowledge of them as wide as possible. Jargon is popular in some places, and it is tempting to some people to invent elaborate names for simple ideas. Perhaps the accountant should make a hobby of collecting these names with such definitions as are available. The staff of the Institute has on occasion helped me with definitions where invention has outpaced the lexicographers, but this certainly does not imply that such words originate in Moorgate Place. At present my short list of such words includes cybernetics, anthropometry, ergonomics, operational research and questometry. I have no doubt this will be increased before I leave Oxford. Meanwhile the task of distinguishing between genuine new sciences and unwanted freaks must continue.

59. Some knowledge of economics is

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Appendix "A"

[illegible]

essential to the accountant who is going to be helpful to management. Without it ordinary accounting problems relating to price determination, capital equipment and replacement policies, break-even analysis, etc., tend to be tackled from too narrow an angle (there is a particular caveat implied here about the use of break-even charts). But the general knowledge of the accountant may not go far enough, and he should be able to tell his managing director when his business needs the whole-time services of an economist. It is much the same with the statistician: the accountant who is studying inter-firm comparisons of the sort which are being used increasingly through trade and other informal associations must be able to read intelligently of medians, quartiles, statistical samples, etc. But his business may call for a more thorough use of statistical method as an extension of sales analysis or the sample costing of similar items such as a fleet of motor vehicles. The accountant should have no difficulty in identifying the opportunities for the effective use of work and method study, and he should have no hesitation in advising the temporary or permanent engagement of the necessary experts. The same should apply to problems of production planning or method.

60. So far as his own department is concerned the accountant should, of course, be familiar with the various office methods and machines, though he cannot normally hope to be expert in them all. This is particularly true of computer work, and he must know when to press for the employment of programmers. He should be just as ready to

go outside for specific advice on less sophisticated office mechanisation, from filing upwards.

61. It is much more difficult for the accountant to give the right answers to questions relating to problems which come up once in an acute form but are not routine worries. Somehow he must know, for instance, of the existence of experts who can teach a business to classify from drawings tens of thousands of different components so that neither drawings nor stocks are duplicated. This ingenious system of coding is the kind of thing which is only needed once in the lifetime of a business. There are no doubt examples of cybernetics, anthropometry and the rest solving problems, but professional reticence would prevent my quoting them if I knew them!

CONCLUSION

62. It appears that the accountant wishing to assist in the promotion of business efficiency must first follow Socrates and "know that he knows nothing" and then emulate Dr. Jowett, of whom it was said:

First come I, my name is Jowett,
There's no knowledge but I know it,
I am the master of this college,
What I don't know isn't knowledge.

But Socrates must come first, and the detailed study of the business—the business analysis—must be carried out humbly and with a determination to find out what it is all about. Only in this way can the problems which have to be solved be identified: and identification is much more than half the battle.

63. The part that can be played by the

accountant is only to a small extent a new part: most of it is what both accountants and business men have been trying to do through the ages. Since this is the age of jargon we must submit to the promulgation of new terms for old ideas, but there is no need to encourage it, and no amount of jargon will compensate for an open mind with a common sense approach. If the accountant can approach a business—any business of any size in any industry—with a fund of general knowledge and a clear understanding that he only justifies his existence if he can help management he will normally succeed. He must know where to go for help and must recognise his own limitations. But his main task is, as they say in cattle-ranching areas, "To get the problem off the hoof."

64. To the accountant who feels that he does not know where or how to begin there is only one answer: try and see. If you do not feel that you can try in your own business try in your own home; try budgeting, justify the purchase of domestic equipment in terms of return on capital, apply elementary work study to the washing up, exercise control over the weekly petties. This kind of thing will both show that it is possible to look ahead and will demonstrate the limitations to a catchword like control. Practising accountants have a fine field for experiment in their own offices, including a perfect testing ground for simple standard costing. Perhaps one of the weaknesses of *Business Efficiency* is that references to specific applications in professional offices are hard to find. But the clues are there just the same whatever the business.

CASH BUDGET—JULY 1959 to JUNE 1960

Appendix "B"

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June
Departmental profit												
Non-cash items (including Depreciation) ..												
Departmental Stock Increase/Decrease ..												
Administrative Expenses												
Working Capital:												
Debtors												
Creditors												
Special Payments:												
Taxation												
Dividends												
Capital Expenditure												
Cash Increase/Decrease												
Opening Cash balance												
Closing Cash balance												

(Concluded)

Taxation

Legacy and Succession Duties—A Reminder

ALTHOUGH LEGACY AND succession duties were abolished by the Finance Act, 1949, in respect of a legacy derived from a testator or intestate dying on or after July 30, 1949, or a succession arising on or after that date, the duties must still be kept in mind because in certain circumstances there may be relief on the first death on or after that date.

Property originally chargeable

With certain exceptions, each duty was chargeable on the value of the benefits received by legatees or successors (as the case might be) at rates depending on their relationship to the testator, intestate or predecessor. Legacy duty was charged on personalty and on leaseholds given in trust for sale, including life interests and gifts in remainder to take effect when the life tenant died. Succession duty was payable on land, both freehold and leasehold (except leaseholds given by will on trust for sale) derived under a will or intestacy. Succession duty was also payable on all benefits derived on a death otherwise than under a will or intestacy, whether these benefits were of land or of personalty.

The rate of duty

The rate of duty depended on the relationship of the beneficiary to the testator, intestate or predecessor. The relationship between a life tenant and a remainderman was immaterial; the latter did not derive his gift from the life tenant but from the testator, intestate or settlor, as the case might be.

In respect of deaths (or first successions) before April 30, 1909, the rates are those set out in the Stamp Act, 1815 (legacy duty) and the Succession Duty Act, 1953. In respect of events later, the table opposite gives the rates.

The spouse of a person entitled to a lower rate than himself paid at that lower rate. Relations of the half blood paid the same rate as those of the whole blood.

Exemptions

There were some exemptions from legacy and succession duty, the most important being that the 1 per cent. or 2 per cent. duty was not payable if the principal value of the property passing on the death of the deceased in respect of which estate duty was payable (other than property in which the deceased never had an interest, and property of which he was never competent to dispose and which on his death passed to persons other than his spouse or his lineal ancestor or descendant) did not exceed £15,000.

Settled property

On settled property, if all the persons entitled in succes-

sion were liable at the same rate, duty at that rate was payable immediately on the capital value of the property and it was payable out of the property. No more duty was then payable on the death of anyone taking under the settlement. An exception arose where there was a death of a second or subsequent beneficiary between April 16, 1947, and July 29, 1949 (both dates inclusive); in that case additional duty at the earlier rate was payable on the capital then devolving to the next successor.

Effect of the abolition of legacy and succession duties

On the death of a life tenant or annuitant after July 29, 1949, no duty is payable, notwithstanding that the testator or intestate or the first life tenant under a settlement *inter vivos* may have died on or before that date. It is evident, therefore, that, if some relief were not available, a beneficiary succeeding to a bequest out of the capital of which duty had been paid would be worse off than one whose capital had not borne duty. To meet this situation it is provided (Section 29, Finance Act, 1949) that the rate of legacy or succession duty so paid is to be set in reduction of the rate of estate duty payable on the settled property on the death after July 29, 1949, of a person not competent to dispose of the property. Where the rate of

Relationship of beneficiary to testator, intestate or predecessor	Testator or intestate died, or first succession arose between April 30, 1909, and April 15, 1947 (inclusive) Percentage	Testator or intestate died, or first succession arose between April 16, 1947, and July 29, 1949 (inclusive) Percentage
Husband, wife, lineal descendants (i.e., children, etc.), or lineal ancestors (i.e., parents, etc.),	1	2
Brothers and sisters and their descendants (i.e., nephews, nieces, etc.)	5	10
Beneficiaries for public or charitable purposes	10	10
Any other relatives (i.e., uncles, aunts, and more remote relatives) and strangers in blood	10	20

legacy or succession duty exceeds that of estate duty, provision is also made for a refund of the excess of the amount of legacy or succession duty over the estate duty which would otherwise be payable. Such a repayment must be added to the capital of the fund out of which the legacy or succession duty was paid but is not chargeable with estate duty on the death giving rise to the repayment. If the rates are equal, there is no repayment even if the amount of legacy or succession duty exceeds the estate duty.

Illustrations

(1) A. died in 1940, leaving by will £20,000 to his brother for life with remainder to his brother's son. Legacy duty at 5 per cent. would have been paid out of the capital. The brother died in 1958, when the settled property was

worth £25,000. The only other property then passing was free estate of £9,000, so there was no aggregation. The estate duty payable on the settled property would be at 15 per cent. less (in respect of legacy duty) 5 per cent., i.e., 10 per cent.

(2) Had the settled property been £5,000 (legacy duty £250) but valued on the brother's death at £6,000, attracting estate duty at 3 per cent., i.e., £180, then, since the rate of legacy duty exceeds the rate of estate duty, the difference in amount, £70, is repayable.

In the case of the cessation of an annuity, there may or may not be relief available. Readers should refer to a leading work on death duties, for example *Hanson's Death Duties* (10th edition by H. E. Smith), paragraph 1450.

Separation and Divorce

Separation

A married woman is regarded as living with her husband unless either:

(a) they are separated under an order of a court of competent jurisdiction or by deed of separation; or
(b) they are in fact separated in such circumstances that the separation is likely to be permanent (Section 361, Income Tax Act, 1952).

It is understood that the Revenue regard a voluntary separation which has lasted a year as likely to be permanent. It is then recognised as operative from the date of separation.

The higher personal allowance given to a married man is available provided he proves (if called upon to do so) either (a) that his wife is living with him or (b) that she is wholly maintained by him and he is not entitled to make any deduction from his income in respect of sums paid for her maintenance. On a separation, it may be that the husband has not previously had the higher personal allowance because his wife was not living with him but he did not contribute to her maintenance. Assuming that he had that allowance, he

will not lose it if he maintains her after the separation, but he will get no relief for the sums he spends for that purpose. It appears, however, that he will not be liable to tax on her income, since she is not living with him.

To obtain relief, he can enter into a deed of covenant in her favour, so that he deducts tax from the payments or she can obtain an order of court for maintenance, with the same result unless—in the case of a court order only—the maintenance does not exceed £5 per week, in which event tax is not deductible but the maintenance can be deducted from his income in the same way as bank interest. He will then get the single personal allowance, not the married one. His wife will get a single personal allowance against her income.

No relief can be obtained for any payments to or for a child or step-child of either unless the payment is under an order of the court requiring the payment to be made to the child.

If assessed as single persons, they must agree on the division of any

allowances for children, or the division must be made on the basis of the contribution of each to the education and maintenance of the children. The same results follow as if there has been a divorce (see below).

For the year of separation, the wife will be assessed as a single person from the date of separation. Her income to that date will be regarded as the husband's. The apportionment is usually made as follows:

Schedule A and B on a time basis; Income taxed at source according to the date it is receivable;

Schedule D assessments on a time basis except under Cases III, IV and V when the date the income arose is taken;

Schedule E on the actual income of each period.

Any transfers of sources of income from one party to the other will involve the application of the rules for discontinuance and new sources.

Divorce

If a divorce suit is brought, the court usually orders payment of alimony pending suit. Usually the order is for a gross sum less tax unless it is for £5 a week or less; where an order is made for a "free of tax" payment of more than £5 a week the net sum can be grossed in the usual way. The

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payment is a charge on the husband and income of the wife. Any alimony ordered on the divorce is similarly treated.

Where, on the divorce, the wife is given the custody of the child, the position is as follows:

(1) If the court order directs the husband to pay to the wife (additional to her own maintenance) sums for the maintenance of the children, these sums are her income. (*Stevens v. Tirard* [1939] 4 All E.R. 186; *Spencer v. Robson*, 1946, 27 T.C. 198.) The wife will then get the children allowance.

(2) If the court orders payment to the wife "in trust" for the children, this is a settlement caught by Section 397 and the income remains that of the settlor, the husband (*Yates v. Starkey*, 1951, 32 T.C. 38). The hus-

band would get the whole or part of the children allowance according to whether or not the former wife also contributed to the maintenance.

(3) The modern practice is for the order to direct payment to the child, when it forms an annual charge on the husband, and income of the child.

(4) Should the parties be foolish enough to enter into an agreement as to the payments for the children's maintenance, such as a deed of covenant by the husband, the income will not be that of the children but of one or other of the parents, according to whether the covenant is similar to the order in (1) or (2) above.

Should a court in the United Kingdom (U.K.) make an order against a respondent living abroad for payment of maintenance to a former wife living in the U.K., it is a

question of fact as to whether he has deducted tax. If the former wife received what is a net sum, she cannot be assessed and if the husband has no U.K. income, he is liable under Section 170 for the tax, though it may be hard for the Revenue to collect it. If, however, the gross amount is paid, the former wife can be assessed under Schedule D, Case III (*Stokes v. Ben-net*, 1953, Ch. 566). If the order is that of a foreign court and the former wife is resident in the U.K., she will be assessable under Schedule D, Case V; the husband cannot be assessed (*C.I.R. v. Anderstrom*, 1928, 13 T.C. 482). If in such a case the wife is resident abroad, the husband may not deduct U.K. income tax, nor is the payment an allowable deduction for surtax (*Bingham v. C.I.R.*, 1956, 36 T.C. 254).

Institute Submissions on Finance Bill

The Council of the Institute of Chartered Accountants in England and Wales has annually submitted a memorandum to the Chancellor of the Exchequer on the Finance Bill. The memorandum of submissions has been published in the annual report of the Institute following the passing of the Finance Act, but that course has meant that publication was delayed for about a year. To bring the submissions to the attention of members with less delay, we now publish the memorandum submitted to the Chancellor in May, 1959, on this year's Bill. Effect was given in the Act to the submissions under paragraphs three and seven.

THE COUNCIL OF the Institute desires to bring to the notice of the Chancellor of the Exchequer matters which arise on consideration of the Finance Bill (Bill 96) now before Parliament.

PART III—INCOME TAX

Clause 14 (2)

1. The words "as respects payments falling to be made at any time during the year 1959/60", at lines 28 and 29, would appear to restrict the effect of

this Section to the year 1959/60. If this is so, then the Section will require re-enactment next year.

2. *Submission.* The words "on or after April 6, 1959" should be substituted for the words "during the year 1959/60."

Clause 16 (2)

3. The word "third" in line 15 should be a word such as "following."

Clause 17

4. The Council has on previous oc-

casions drawn attention to difficulties arising where Bills are in terms which cannot be understood without reference back to earlier legislation. This clause requires continuous reference back to Sections of the Income Tax Act, 1952, and the Finance Acts, 1954, and 1956. It will therefore require taxpayers and their advisers to spend much time in endeavouring to understand the meaning of the clause. The need for preparing legislation on the basis of reference back to earlier statutes is fully appreciated by the Council, but this is a case in which an explanatory memorandum setting out the effect of the clause would be a great help to taxpayers and their advisers.

5. *Submission.* The pamphlets issued by the Board of Inland Revenue containing notes on capital allowances should be revised and reissued at the earliest possible opportunity. In addition a new pamphlet dealing with the capital allowances in respect of dredging should be prepared and issued.

Clause 19

6. This clause contains provisions

which overlap in the case of dividends on stocks and shares of United Kingdom companies with the provisions of Section 4, Finance (No. 2) Act, 1955. The effect of the overlapping appears to be that if a dealer in securities purchases the shares of a company, receives a dividend from that company out of pre-acquisition profits and then sells the shares within six months of having purchased them, he would suffer tax twice on an amount equal to the net dividend as follows:

(a) the net dividend will be brought into the recipient's computation as a trading receipt which has not borne tax (Section 4, Finance (No. 2) Act, 1955) and

(b) the cost to him of the shares purchased will be notionally reduced by an amount equivalent to the pre-acquisition element of the net dividend (clause 19, Finance Bill, 1959).

7. *Submission.* A provision should be introduced into the clause so that the clause is not to apply in any case where the interest received by the first buyer is within the provisions of Section 4, Finance (No. 2) Act, 1955.

Clause 20 (1)

8. If this clause affects the exemption from income tax of the interest of securities referred to in Section 195 (1), Income Tax Act, 1952, it would amount to a departure, to the detriment of the holder, from the terms of issue of securities issued by the Treasury. If such a result is not intended, clause 20 (1) should be amended.

Clause 21 (2)

9. *Submission.* Clause 21 (2) (b) should be brought into line with clause 21 (2) (a) by amending the words "that extent" in line 8 to "the extent of the said appropriate amount."

Sixth Schedule—Paragraph 3 (1)

10. This sub-paragraph restricts quotations to the official list of the Stock Exchange, London.

11. *Submission.* Stock exchanges in the United Kingdom which issue official lists should also be included. There should be a consequential amendment to sub-paragraph 3 (3).

PART V—MISCELLANEOUS

ESTATE DUTY

Clause 26

12. In the Financial Statement it was

stated that: "It is proposed to provide that gifts of life assurance policies shall be treated like gifts of other property for estate duty purposes; this will take effect in respect of deaths occurring after April 7, 1959." It is assumed that clause 26 is intended to do no more than rationalise the law relating to the treatment of premiums on life assurance policies and is not intended to bring into aggregation any part of the proceeds of or premiums paid on assurance policies which are at present exempted from aggregation under the Married Woman's Property Acts.

13. *Submission.* Clause 26 should be amended in order to make it clear that it does not affect the aggregation of premiums on or proceeds of policies which are at present exempt from aggregation.

GENERAL

14. The Council regrets that this year's Finance Bill does not implement any further recommendation of the Royal Commission on the Taxation of Profits and Income. The Council submitted a memorandum suggesting certain priorities to your predecessor on February 6, 1957.

Submissions

Income Tax: Schedule D—Current year basis of assessment

15. Legislation should be introduced as soon as possible so that profits and other income assessed to tax under Schedule D should be assessed on a current year basis.

Surtax on controlled companies

16. In view of the change that has taken place in the administration of Section 245, Income Tax Act, 1952, in respect of accounting periods ending after August 1, 1957, legislation should be introduced so that the income chargeable to surtax should, in the case of a close corporation which is not an investment corporation, be that part only of the corporation's undistributed income which it would have been reasonable to distribute.

Profits tax

17. The opportunity should now be taken to prepare a Profits Tax Consolidation Act containing only the law applicable to chargeable accounting periods from April 1, 1958.

Estate duty

18. The opportunity should now be taken to prepare an Estate Duty Consolidation Act.

The Cotton Scheme— Tax Questions

IN OUR ISSUES for June (page 319) and July/August (pages 389-90) we discussed the various taxation provisions relating to the reorganisation of the cotton industry. In this article we reproduce (in slightly different form) the examples in an Inland Revenue memorandum on the scheme. When studying these examples it must be remembered:

(i) Relief for receipts which are not repayments of contributions under the scheme is given under the provisions of Section 465 (2) of the Income Tax Act, 1952, by multiplying the excess of the receipts by the fraction:

Compensation for damage not attracting income tax relief

Total compensation

(ii) Relief for the levy paid is given under the provisions of Section 463 of the Act.

(iii) Relief for balancing allowances is given or liability for balancing charges is incurred under the provisions of Sections 267 and 292 of the Act.

All three Sections may be involved!

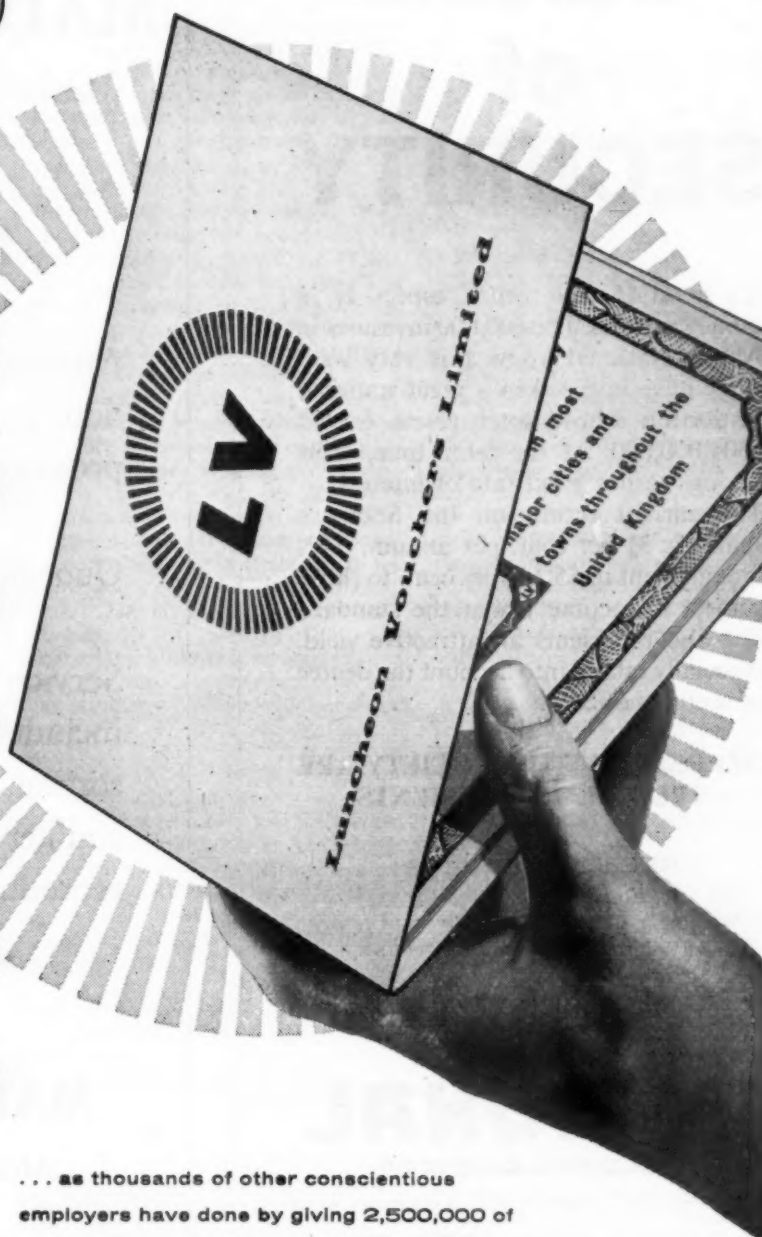
Example (1)

Suppose that for every £100 of compensation £10 represents the amount by which

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the proceeds of scrapping fall short of the income tax written-down values of plant and any buildings under fifty years old, that the recipient of the payment pays no compensation direct to his own employees and has:

- (a) contributed nothing to the fund;
- (b) contributed £30 for every £100 received.

(a) The excess over the contribution is the whole £100. Relief will be given on £90 ($90/100 \times £100$). £10 will be taxable. The trader will get a balancing allowance of £10.

(b) The excess over the contribution is £70, being £100 - £30. Relief will be given on £63 ($90/100 \times £70$), so that £37 of the compensation will be taxable. The trader will get relief on £40—namely, £30 by way of a deduction for his contribution in computing his profits and £10 by way of a balancing allowance.

The two following illustrations show the computation of the tax liability in respect of the compensation.

Example (2)

During this year company A pays a levy of £1,000, scraps its only mill and goes out of business. It receives compensation of £10,000. Its plant and machinery has an income tax written-down value of £1,000, and the proceeds of scrapping are £500. Its building is in the main over fifty years old, but an extension was constructed in 1947; of the expenditure on constructing the extension £2,000 has not yet been allowed for tax purposes. It sells the whole building for £1,500 and £500 of this is apportioned to the extension.

The levy of £1,000 is deducted in computing the profits of the final year.

There are balancing allowances of:

	£	
For plant and machinery	500	(£1,000 less £500)
For buildings	1,500	(Residual value of £2,000 less £500)

£2,000

The compensation exceeds the levy by £9,000. The compensation for damage for which no income tax relief can be given is £8,000 (£10,000 less the loss on plant and buildings). The part of the compensation relieved from tax is therefore $8,000/10,000 \times £9,000$, or £7,200, leaving £2,800 taxable.

Example (3)

Company B, which continues in the trade, closes down one mill, pays (apart from any compulsory contributions to a workmen's central compensation fund) £4,000 compensation to senior staff, and is otherwise in the same position (apart from taxation) as company A. In future years it will have to pay a further £9,000 of compulsory levy at £1,000 a year.

It gets as deductions in computing its profits:

- (i) £1,000 compulsory levy, and
- (ii) £4,000 compensation paid to staff.

There are again balancing allowances totalling £2,000.

Compensation received exceeds the levy paid to date by £9,000. The element attributable to damage for which no income tax relief is given is £4,000 (£10,000 less loss on plant and buildings and less compensation paid to staff). The part of the compensation relieved from tax is therefore $4,000/10,000 \times £9,000$, or £3,600, leaving £6,400 taxable.

Subsequent levies up to a total of £3,600 will be disallowed, £400 each year. In year 2 the part of the compensation relievable from tax is recomputed on the footing that the excess of compensation over levies paid has become £8,000 (£10,000 less two levies of £1,000). On recomputation the relief due becomes $4,000/10,000 \times £8,000$, or £3,200. The excess relief is thus £400 (£3,600 - £3,200); this amount is therefore disallowed. Similar calculations produce a disallowance of £400 for each subsequent year until the total of £3,600 is reached in year 10.

If the company had to pay levies exceeding £10,000 in total, there would be no disallowance of the excess. If, on the other hand, it paid by the end of the day less than £10,000 in total, the amounts disallowed would come to something less than £3,600—for example, if the total levies paid were £5,000 only, the final recomputation of the relief due would give $4,000/10,000 \times £5,000$, or £2,000. The disallowances would total £1,600 only.

The next two illustrations combine the liability on the compensation with the trading result and balancing allowances or charges.

Example (4)

Company C has a trading loss for income tax purposes of £15,000 in its last trading period. It pays a levy of £1,000 and receives compensation of £10,000. The written-down value of plant, representing spindles and auxiliary plant, is £2,500. Proceeds of sale of plant are £750.

	£	
Compensation receipt	10,000	
Less compensation not chargeable to tax:		
8,250 ($10,000 - 1,750$)		
<u>10,000</u>		
	$\times 9,000$	7,425
		<u>2,575</u>
Less trading loss	15,000	
Balancing allowance:		
£2,500 - £750 =	1,750	16,750
		<u>Loss</u>
		<u>£14,175</u>

The loss is available for inclusion in a claim for terminal loss relief.

Example (5)

Company D has a trading loss, pays levy and receives compensation exactly as in (4). The written-down value of plant, etc., is £2,500. The proceeds of sale of plant are £4,000, which is less than its original cost.

	£
Compensation receipt	10,000
Less compensation not chargeable to tax:	
10,000	
<u>10,000</u>	
	$\times 9,000$
	9,000
	<u>1,000</u>
Less trading loss	15,000
	<u>14,000</u>
Less Section 341 relief (see below)	1,500
	<u>Loss available for inclusion in a claim for terminal loss relief</u>
	<u>£12,500</u>
Balancing charge	1,500
Section 341 relief	1,500
	<u>—</u>

Finally, the position is shown where the proceeds received on scrapping plant and on disposing of buildings come to more than the written-down value for tax purposes, so that the excess of the receipt from the compensation fund is exempt from tax. There will, of course, be balancing charges up to the excess of the original cost over the written-down value, except that if the buildings are more than fifty years old, no balancing charge can be made in respect of the proceeds received in respect of such buildings.

Example (6)

Company F has a trading loss for income tax purposes of £3,000; no levy is paid. Written-down value of plant is £600. Sale proceeds of plant are £4,000, which is less than its original cost. Compensation received is £6,000.

	£
Compensation	6,000
Less compensation not chargeable to tax	6,000
	<u>—</u>
Trading loss	3,000
Balancing charge (£4,000 - £600)	3,400
	<u>Net amount chargeable to tax</u>
	<u>£400</u>

Whether or not records are available to show the written-down value and sale price of each particular item of plant, only the net balancing allowances or charges will be taken into account in the calculation of the liability on compensation.

Employees

Any decision to pay compensation direct to redundant employees where the concern is going out of business must be made bearing in mind that in the view of the Revenue such payments will not be deductible in computing profits. Such disallowance will leave unaffected the tax liability in respect of sums received as compensation under the scheme.

Taxation Notes

Income Tax Penalties

The Inland Revenue is appealing to the House of Lords against the *C.I.R. v. Hinchy* decision that the maximum penalty for an incorrect return was £20 plus three times the tax due on the omitted income. It has been announced in the House of Commons that the Chancellor of the Exchequer intends to make a full review of the penalty provisions of the Income Tax Acts, a review that is much overdue. In the meantime, the Revenue will cease to sue in the Courts for the full penalty it considers to be legally due, and will instead sue for the reduced amount which in appropriate circumstances it is prepared to accept in the exercise of its statutory power to mitigate penalties, unless there are special circumstances which render that course impracticable.

Logic and Income Tax

It has been suggested that the decision in *C.I.R. v. Wood Bros. (Birkenhead) Ltd.* was illogical. We have long been of the opinion that to start the consideration of the Income Tax Acts with logic as a guiding factor usually leads to the wrong conclusion!

In the case in question, the problem was whether, in arriving at the actual income of a company for the purposes of a surtax direction, a balancing charge had to be included, and it was held that such a charge was not to be deemed to be income. It would, in our view, have been both illogical and unfair (both irrelevant arguments for tax!) to include the whole charge in one year. A balancing charge is designed to take away over-allowances in earlier years, and if it had to be treated as income for surtax, it ought to be spread over the years concerned. Suppose, to take the simplest case, on an asset costing £10,000 annual allowances on the straight-line basis were at the basic

rate of nine per cent. That would give an annual allowance of £1,125. If after six years the asset was sold for £5,000, there would be a balancing charge of £5,000—(£10,000—£6,750)=£1,750. If one person owned all the shares in the company and his income was £8,000 per annum before taking capital allowances and charges into account, the addition of the balancing charge in one year would cost in surtax £1,750 at 7s. 6d.=£656 5s. 0d., yet the allowances had reduced the surtax over the years by only £1,750 at 6s. 6d.=£568 15s. 0d. Every reasonable argument would spread the balancing charge over the six years so as to attach surtax at the same rate as that which the annual allowance saved. But the Law Lords said that it was not to be deemed to be income at all—and that disposes of logic and all other arguments.

Many instances of illogicality will spring to the minds of readers, not least the vexed question of expenses. Is it not a fact that if the family company owns the car, the amount to be disallowed for private use by proprietor of the company will not give us the same result as if he owned the car privately and charged the company for the business running? In law it should, in practice it rarely does. . . . And what can be more illogical than the interpretation placed on Rule 7 of Schedule E? No, logic is better avoided if income tax is to be understood.

Taxes in Western Germany

The sixth pamphlet in the series *Taxes Abroad* issued by the Canadian Tax Foundation covers taxation, as at a date some months ago, in the Federal Republic of Germany (including western Berlin). The taxes are dealt with under headings—residence and income tax liability; scope of the income tax; personal income tax; corporation income tax; with-

holding tax; state and local income taxation; and international aspects. The last relates to the Canada-Germany Income Tax Convention signed in 1956.

A person is resident in the Federal Republic of Germany if it is either his domicile or his customary place of abode. The latter test is satisfied by his being physically present in the Republic for six months. A corporation is resident if incorporated in, or with its place of management in, the Republic.

Although taxes are nominally levied only on income, there are certain important variations from the United Kingdom methods of computing it. Gains from sales of personal property other than business property are taxable if the holding period is not more than three months and gains from real property if the property is not held for more than two years. If the personal or real property is treated as business property, the gains are taxable whatever the holding period. Corporation income tax is levied on the increase in net worth shown by the accounts of the corporation after adjusting for distributions of profits or capital, capital paid in, etc. Unless a specific exemption is provided, therefore, a corporation or unincorporated business enterprise cannot realise tax-free capital gains.

Individual taxpayers are entitled to deductions for expenses incurred in earning investment income; life, accident and sickness premiums; payments for voluntary savings bonds; charitable and scientific donations, dependent children and in certain circumstances of hardship expenditure in support of other dependants. Employees may deduct the expenses of travel to the place of employment. Married taxpayers obtain no personal relief additional to that given to single people, as they do in the United Kingdom. Instead, the tax payable by married couples can be computed by aggregating the income of both spouses, computing the tax payable on one-half of the total income and finally doubling the tax figure so found.

The allowance for depreciation which may be made in computing

corporation income tax is based on the historical cost, except for those assets in existence in June, 1948. (Such assets were revalued at the replacement prices prevailing in August, 1948. Assets which had been written off by that date were revalued at one-third of the current replacement price.) Depreciation on such assets is provided on the valuation.

German corporations are required to withhold tax at the rate of 25 per cent., and the tax is in the case of a resident credited to the recipient's account and treated as a tax payment by him. If the recipient is a non-resident, the withholding tax discharges his tax liability unless he is carrying on business through a permanent establishment in Germany.

A copy of the pamphlet can be obtained free of charge from the Canadian Tax Foundation, 154 University Avenue, Toronto 1, Canada. We would suggest that readers from outside Canada writing for a copy should meet the postage by sending an international reply coupon.

The position as between Germany and the United Kingdom is not dealt with in the pamphlet; reference should be made to the Double Taxation Relief (Taxes on Income) (Federal Republic of Germany) Order, 1955 (S.I. 1955, No. 1203). For residents in the United Kingdom the position in respect of withholding tax is determined by the provisions of Article 6 of the Double Taxation Relief Order, which provides that tax shall not be charged in the Federal Republic at a rate in excess of 15 per cent. on dividends paid by a company resident in the Republic to a resident in the United Kingdom liable to United Kingdom taxation thereon.

Settlements in Which a Spouse May Benefit

The Inland Revenue has been and is making a very sturdy attack on many settlements on the ground that a spouse of the settlor may have power to determine the settlement or to derive benefit under it. Section 21 of the Finance Act, 1958, dealt with

cases where there was a power to pay out the whole of the trust funds less a fixed amount. If there is any power to diminish a settlement, then it is to be treated as revocable. If the terms of a settlement would enable a payment to be made to a beneficiary who might at some future time become the spouse of the settlor, the settlement is diminishable and if it were diminished the settlor's spouse could benefit. The result would be that the whole income of the settlement might be treated as income of the settlor for tax purposes. In the preface to the third edition of *Tax Planning* by Potter and Monroe, assisted by Bates, it is stated that the Inland Revenue is prepared in practice to ignore the possibility that the settlor who is happily married might marry the child—as yet unborn—of a friend whom the settlor has sought to benefit by including him and his issue in the class of potential beneficiaries under a discretionary trust.

The learned authors then make the following very apt remarks:

Recognising the difficulties with which the Parliamentary Draftsmen have to contend, the authors would urge three points which merit attention by our legislators:

(i) That some procedure should be adopted which will enable more time and attention to be devoted to making Finance Acts intelligible. The comment of Lord Simonds, on the Finance Act, 1940, that some of its provisions were couched in language so tortuous and obscure that he was tempted to reject them as meaningless could well be applied to many of the recent Acts.

(ii) That the well-tryed and comparatively inexpensive procedure of appeals to the Special Commissioners should be made available as a means of settling all revenue disputes, estate duty as well as tax; and where the relevant legislation tips the scales unfairly against the taxpayer (as in the case of surtax directions under Section 245 of the Income Tax Act, 1952) the law should be altered to enable the real issue to be brought before an independent tribunal. This might check the present tendency to set up the Commissioners of Inland Revenue as judges in their own causes.

(iii) That it should be open to a taxpayer to apply to the Special Commissioners for a certificate that

the point at issue in his case is of general application and has not previously been decided; and that when such a certificate is given, subsequent litigation should, within reason, be financed out of public moneys.

Unintelligible Finance Acts which can be applied only by relying on the administrative good sense and restraint of the Commissioners of Inland Revenue will render future editions of *Tax Planning* not merely ineffective but impossible to write.

Double Taxation Relief

With the *Stock Exchange Weekly Official Intelligence* of August 8, 1959, was published the half-yearly supplement dealing with the agreed rates of tax on dividends from overseas companies for double taxation relief. It covers 1952/53 to 1958/59 (Share and Loan Dept., The Stock Exchange, 26 Austin Friars, London, E.C.2., 1s. net).

Non-Residents and Surtax

Normally a non-resident is not entitled to any reliefs in respect of income arising in the United Kingdom (U.K.). If, however, the Commissioners of Inland Revenue are satisfied that the non-resident:

(i) is a British citizen or a citizen of the Republic of Ireland; or

(ii) is a person who is, or has been, employed in the service of the Crown or in the service of a missionary society or any native State under the protection of Her Majesty; or

(iii) is resident in the Isle of Man or the Channel Islands; or

(iv) has previously resided within the U.K. and is resident abroad for the sake of his or her health, or the health of a member of his or her family resident with him or her; or

(v) is a widow whose late husband was in the service of the Crown;

then the non-resident is entitled, subject to the limitation in the next sentence, to the same personal reliefs as a resident would receive on his or her income liable to U.K. tax. The reliefs are not to reduce the amount of the income tax payable below the amount which bears the same proportion to the amount which would be

payable by him by way of income tax if tax were chargeable on his income from all sources ("world income") as the amount of income (U.K. income) chargeable to income tax bears to the world income. Section 227, Income Tax Act, 1952, does not comprehend the surtax position, as personal reliefs were not deductible for surtax purposes when that Section was enacted.

The term "British" comprises any citizen of the Commonwealth. Similar relief is given in most double taxation agreements to residents of non-Commonwealth territories; the United States is an exception.

Section 14, Finance Act, 1957, allows for surtax purposes the deduction from total income of the excess over £140 of the following reliefs:

- (i) married and single personal relief;
- (ii) child relief;
- (iii) housekeeper, woman looking after dependent children and dependent relative reliefs; and
- (iv) relief where claimant depends on the services of a daughter.

For a non-resident the deduction in respect of reliefs is to be reduced in the proportion in which the limitation in Section 227 reduces any relief given the taxpayer in the year of assessment. There may, therefore, be no restriction of reliefs.

Illustration (1)

X, a non-resident British citizen, has the following income in 1959/60:

	£
Income liable to U.K. tax (un-earned)	6,000
Income not liable to U.K. tax (earned)	4,005
	<u>10,005</u>

X is married and has three children aged 12, 14 and 17 respectively, for whom he receives child relief. For income tax purposes, there will be no restriction, viz.:

	£	£	s.	d.
Reliefs on U.K. income:				
Personal ..	240			
Children ..	400			
	<u>640</u>	at 7/9 =	248	0 0
Reduced rate on ..	360		55	10 0
Tax repayable ..			303	10 0

There can be no restriction as the reliefs on the "world income" would include earned income relief of £890 at 7/9 = £344 17s. 6d., making total reliefs of £648 7s. 6d., and the proportion is $6,000/10,005 \times £648$ 7s. 6d. = £388 16s. 7d., which is more than the reliefs on the U.K. income. As there is no restriction for income tax, the amount deductible for surtax is £640—£140 = £500. The amount chargeable to surtax in the U.K. is £6,000—£500 = £5,500.

Illustration (2)

Had the income in the above illustration been:

	£
Income liable to U.K. tax (earned)	6,000
Income not liable to U.K. tax (unearned)	4,005
	<u>10,005</u>

then the computation would have been:

	£	£	s.	d.
Reliefs on U.K. income:				
Earned ..	1,112			
Personal ..	240			
Children ..	400			
	<u>1,752</u>	at 7/9 =	678	18 0
Reduced rates			55	10 0
			734	8 0

Restriction to $\frac{6,000}{10,005} \times £734$ 8s. = 440 8 5

For surtax purposes the reliefs would be $6,000/10,005 \times £(640-140) = £300$ and surtax would be payable on £6,000—£300 = £5,700.

Illustration (3)

Y, a non-resident British citizen, has un-earned income liable to U.K. tax of £3,000 and unearned income not so liable of £4,000. He is a married man with four children, "quads" five years of age, and maintains his widowed mother. In his case, the reliefs would be restricted as follows:

	£	£	s.	d.
Reliefs:				
Married man ..	240			
Children ..	400			
Widowed mother ..	60			
	<u>700</u>	at = 7/9	271	5 0
Reduced rate on £360			55	10 0
			326	15 0
Reliefs on "world income"				
Restricted to $\frac{3,000}{7,000} \times £326$ 15s. =			140	0 9

For surtax purposes, the reliefs would be $3,000/7,000$ of £(700—140) = £240. Surtax would be payable on £3,000—£240 = £2,760.

Schedule D, Case VI

According to the Income Tax Act, 1952, tax under Schedule D is to be charged in respect of:

(a) the annual profits or gains arising or accruing:

(i) to any person residing in the United Kingdom (U.K.) from any kind of property whatever, whether situate in the U.K. or elsewhere; and

(ii) to any person residing in the U.K. from any trade, profession, or vocation, whether carried on in the U.K. or elsewhere; and

(iii) to any person, whether a British subject or not, although not resident in the U.K., from any property whatever in the U.K. or from any trade, profession or vocation exercised within the U.K.; and

(b) all interest of money, annuities and other annual profits or gains not charged under Schedule A, Schedule B, Schedule C, or Schedule E and not specifically exempted from tax (Section 122).

The references above to "property" must be read in the sense that the term means "that which is capable of ownership." Although land is often referred to as property, that is only a limited meaning of the word—for example, a business is property, as is well seen when the owner is referred to as the proprietor.

The tax under Schedule D is charged under the following Cases:

Case I: tax in respect of any trade carried on in the U.K. or elsewhere.

Case II: tax in respect of any profession or vocation not contained in any other Schedule.

Case III: tax in respect of:

(a) any interest of money whether yearly or otherwise, or any annuity, or other annual payment, either as a charge on any property of the person paying the same by virtue of any deed or will or otherwise, or as a reservation out of it, or as a personal debt or obligation by virtue of any contract, or whether payable at half-yearly or any other intervals; and

(b) all discounts; and

(c) profits on securities bearing interest payable out of the public funds where not charged under Schedule C.

Case IV: tax on income arising from securities out of the U.K., except where it is charged under Schedule C;

Case V: tax on income arising from possessions out of the U.K.;

Case VI: tax in respect of any annual profits or gains not falling under any of the foregoing cases and not charged

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under any of the other Schedules (Section 123).

In its original status, therefore, Case VI is a "mopping up" case designed to pick up annual profits or gains not caught under another case of Schedule D or another Schedule.

Case VI has been enlarged greatly, however, by being used to accommodate the charge of tax on most new sources of charge. These new sources include:

- (i) Excess rents (Section 175, 176).
- (ii) Rents under long leases, rent charges and certain other payments charged on land and not chargeable to tax under some other case of Schedule D (Section 177). (These rents and payments are subject to deduction of tax at source.)
- (iii) Profits from easements over land (Section 179) and from letting non-rateable machinery (Section 474).
- (iv) Certain balancing charges (Sections 270, 274, 301).
- (v) Capital sums received from the sale of patent rights (Sections 318, 321, Schedule XIII).
- (vi) Sums treated as income of a settlor (Sections 406, 408).
- (vii) Income not otherwise taxed where liable under the anti-avoidance provisions regarding the transfer of income to persons abroad (Section 413).
- (viii) Funding bonds issued in respect of interest due to a creditor (Section 202).
- (ix) Interest or dividend on securities transferred under an agreement to reacquire them (bond washing) (Section 203).
- (x) Excessive child relief found to have been allowed when the relief has to be apportioned between claimants (Section 213); excessive housekeeper relief in similar circumstances (Section 218).
- (xi) Where an adjustment is required of the tax deducted by a paying agent on doubly-taxed income (Section 347).
- (xii) Tax chargeable on a settlor where the settlement is revocable or he retains an interest in it (Section 406), and capital sums paid to a settlor out of a settlement (Section 408).
- (xiii) Income from assets transferred to persons abroad which would have resulted in avoidance of tax but for the provisions of Sections 412-414.
- (xiv) Transfers of rights to income from securities without transferring the securities to the extent that it is not taxed at source (Section 416).
- (xv) Any excess reliefs given to beneficiaries during the administration of a deceased person's estate (Section 422).

(xvi) Under-deductions of tax made before the passing of the annual Finance Act (Section 491) (but not on Ordinary and similar dividends (Section 493)).

(xvii) Past over-repayments as a result of subvention payments and subvention payments received by an investment company (Section 20, Finance Act, 1953).

(xviii) Tax under-deducted by a paying agent from a dividend or interest arising in the Irish Republic (Schedule XVIII, Part II).

Deeds of Covenant

Why are deeds so popular? Simply because so many people dislike the Exchequer getting a penny more than is strictly necessary.

Deeds with Charities

A person who enters into a deed of covenant with a charity does not save his pocket a single penny. In some circumstances, unless he reduces his subscription *pro tanto*, e.g., where the payment is to any extent out of earned income because there is not enough unearned income to cover it, or where he is not liable to tax at the standard rate, it will cost him more because he has to keep the payment (gross) in charge at the standard rate and cannot get earned income relief on earned income needed to meet the payment. It is the charity that benefits in its repayment claim (unless he has reduced his subscription *pro tanto*).

Illustration

A man with an income of £100 unearned and £900 earned entered into a covenant for seven years or life (if shorter) with the benevolent fund of his profession, to pay to it such sum as after deduction of income tax at the standard rate would amount to £3 3s. 0d. per annum. He had been in the habit of paying £3 3s. 0s. a year to the fund.

He would continue to pay the £3 3s. 0d. a year with no taxation consequences, since he has adequate taxed income to cover the gross amount of £5 2s. 11d. Had he had no unearned income, he would have lost £1 in earned income relief, i.e. 7s. 9d., unless his allowances were enough to mean that he paid at reduced rates only, when the relief lost would be tax at his highest rate on £1. With a bigger sum, the loss is proportionately greater.

No surtax relief is possible.

Deeds for Individuals

The deed for a charity is one thing;

that for an individual another. There can be a real tax benefit because of the payments (gross) being allowed for surtax.

Illustration

A widower aged 70 has an income of £4,000 a year. His unmarried daughter lives with him and keeps house. She is not paid any remuneration and has an income of £500 of her own.

The joint tax bill is as follows:

	Father	Daughter
	£	£
Income	4,000	500
National Insurance Contribution (N.I.C.)		14
Personal allowance (P.A.)	140	140
	3,860	346
	£ s. d.	£ s. d.
Tax at Reduced Rates on £360	84 0 0	On £346 79 12 6
At 7/9 on £3,500	1,356 5 0	
	1,440 5 0	
Surtax on £4,000	287 10 0	
	£1,727 15 0	£79 12 6
Total	£1,807 7 6	

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pay to the daughter £1,500 a year, the joint tax bill would be lowered by:

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N.I.C.	14		
P.A.	140		
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Reduced rates on £360	55	10	0
	115	3	6
Surtax	287	10	0
	402	13	6

Unilateral D.T.R.

A booklet of sixty-five pages *Unilateral Relief of Double Taxation* has

been issued by the Federation of British Industries in its series of F.B.I. Taxation Studies (10s. ordinary post free, but airmail extra). This study arose from a conference of the taxation experts of the countries of the Council of European Industrial Federations, where it was agreed that a useful purpose would be served by bringing together in one work the different practices and laws of the member countries in their approach to the unilateral relief of double taxation. The countries are Austria, Belgium, Denmark, Finland, France, the Federal Republic of Germany, Italy, Luxembourg, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

The subject is to be discussed at the Congress of the International Fiscal Association later this year, and the summary may afterwards be revised and extended.

It is pointed out in the booklet

that there is a danger of too much abbreviation and oversimplification, and that errors may arise from the use of English definitions and concepts having subtle differences from their counterparts in other European countries.

It is most interesting to read of the different concepts of domicile and residence, of where sources of income are deemed to be situate, of the criteria of liability to tax, and so on, but the reader gets the impression that too much compression has taken place to warrant the title of study; it is a series of very brief paragraphs indeed.

Clitas

Release number 54 of "Current Law" *Income Tax Acts Service*, dated August 17, 1959, brings to subscribers the text of the Finance Act, 1959, fully annotated so far as it affects income tax and profits tax.

Recent Tax Cases

Income Tax

Appeal by taxpayer to Commissioners—No evidence before Commissioners of taxpayer's income—Failure by taxpayer to show assessments incorrect or excessive.

In *Pierson v. Belcher* (Ch. [1959] 52 R. & I.T. 375) the appellant appealed against (a) assessments to income tax made on him under Schedule D for 1944/45 to 1950/51 in respect of commissions and profits as a dealer in motor vehicles, and (b) assessments to income tax made on him under Schedule E for 1950/51 to 1956/57 in respect of employment, directors' fees, salary and other emoluments of himself and his wife. At all material times the taxpayer had been a garage proprietor and haulage contractor and had operated within the framework of nine companies of which he was substantially the sole proprietor. Statutory returns of income had been

lodged up to and including 1948/49, but none since. In 1949 the taxpayer was asked by the Inland Revenue Enquiry Branch if he would give written replies to certain questions concerning his income but, though he had been successively to four firms of accountants, no answers were ever received. In 1954 the taxpayer's then accountants wrote saying that they were preparing certain returns in connection with five of the appellant's companies, but no such returns were ever delivered. Before the Commissioners the appellant denied that he had ever carried on the business of a motor dealer or received any profits or commission on such dealings, but he admitted that he had done "a lot of business" on behalf of companies controlled by him. In respect of the Schedule E assessments he admitted that he had received sums from his companies. He was unable to give any details of them but claimed he had, on *contra*

accounts, paid sums to those companies, again without giving details. The Commissioners found that the taxpayer had had personal dealings in motor vehicles and that he had not discharged the onus on him to show that the assessments were incorrect or excessive, and they therefore confirmed all the assessments.

Upjohn, J., held that there had been evidence on which the Commissioners could properly have come to their conclusion. But the matter could be disposed of even more shortly: there was an assessment made by the Additional Commissioners on the taxpayer. It was perfectly clearly settled by cases such as *Norman v. Golder* (1945, 26 T.C. 293) that the onus was on the taxpayer to show that the assessment made on him was excessive or incorrect and he had completely failed to do so.

Income Tax

Assessments — Balancing charge — Destruction of machinery or plant — Whether trade permanently discontinued at the moment of destruction or some time thereafter — Income Tax Act, 1945, Section 17 (1).

The case of *Bennett v. Rowse* (Ch.

[1959] 52 R. & I.T. 490) was noted in our issues of April, 1958 (page 192), and November, 1958 (pages 604 and 605). The taxpayer owned two aircraft which he hired to a company of which he was managing director. On January 31, 1950, he wrote to the secretary of the company stating that he intended to cease the business of hiring aircraft and that he proposed to sell the aircraft; nevertheless, the hiring continued. One of the aircraft crashed and was completely destroyed on March 12, 1950. Before leaving for the scene of the crash the same day, the taxpayer gave directions to the other director of the company and to the administrative manager that the other aircraft (which was actually undergoing repairs) was to be grounded. He also wrote a letter, dated March 12, 1950, to the secretary of the company ceasing his hire of the two aircraft to the company with effect from that date, but the letter was not signed by him until his return the following day (March 13). During the year 1948/49 capital allowances amounting to £21,000 were made to the taxpayer in respect of the crashed aircraft, and on March 29, 1956, a balancing charge was made under Section 17 (1) of the Income Tax Act, 1945 (now Section 292 of the Income Tax Act, 1952), on that amount. The Special Commissioners found that the trade of hiring aircraft carried on by the taxpayer was not permanently discontinued until some time after the one aircraft was destroyed and they confirmed the assessment. Upjohn, J., upheld that decision.

In the Court of Appeal it was argued for the taxpayer that since all the relevant events happened on the same day, March 12, 1950, and having regard to the principle that "the Court will not regard fractions of a day in the computation of time," the destruction of the aircraft and the permanent discontinuance of the business were, in law, simultaneous. But the Court rejected the argument, Jenkins, L.J., saying that the principle in question had never been applied to a case where it was necessary to determine the order in point of time in which two or more events occurred.

In the House of Lords Viscount Simonds said that the single question was whether the crashed aircraft was destroyed before the trade carried on by the taxpayer was permanently discontinued. The order of events was (i) destruction of the aircraft, (ii) the communication of that fact to the taxpayer, and (iii) action taken by him to effect the discontinuance of the trade. The

question in issue could not be decided on the footing that the trade was carried on only by means of the aircraft that was destroyed; there remained the second aircraft. He did not see how the Commissioners could have come to any other conclusion but that the second aircraft was subject to the hiring arrangement until the letter of March 12, 1950, was communicated to the company. The appeal would accordingly be dismissed.

Income Tax

Trade—Factory—Manufacture of glass containers—Coal seam under factory—Danger of subsidence if seam worked—Lump sum payment to avoid working—Payment of sum by equal annual instalments—Whether instalments deductible in computing profits of trade—Income Tax Act, 1952, Section 137 (a), (f).

The case of *United Glass Bottle Manufacturers Ltd. v. Bradbury* (C.A. 1959, T.R. 133) was noted *sub nom. Bradbury v. United Glass Bottle Manufacturers Ltd.* in our issue of February last (page 91). The brief facts are that the National Coal Board proposed to work under the appellants' factory a coal seam which might cause subsidence and put the works out of action. An agreement was accordingly made with the National Coal Board whereby a pillar of coal sufficient to support the factory was to be left unworked in perpetuity in return for the payment by the appellants of £40,000 in five equal annual instalments of £8,000. The company claimed to deduct the first instalment of £8,000 in computing its profits for 1955/56. The Special Commissioners decided that the £8,000 was wholly and exclusively laid out for the purposes of the appellants' trade and that it was revenue expenditure. Harman, J., (as he then was) held that it was capital expenditure. The Court of Appeal affirmed his judgment.

The appellants contended that the conclusion of the Special Commissioners was a conclusion of fact which the Courts ought not to review, but that in any event the expenditure was incurred for the purpose of protecting the trade of the company from a particular threat. In their case stated the Commissioners had said this:

Looking at all the facts, however, we were of the opinion that the company had not laid out the sum of £8,000 in the purchase of a capital asset but had expended it to meet the threat to its

trade [thus treating the two types of expenditure as mutually exclusive].

Lord Evershed, M.R., said that the form of language used by the Commissioners seemed necessarily to mean that:

Unless you can say that you are purchasing a capital asset, or something like it, it cannot be said that you are then expending capital; and second . . . the language seems also to pose the proposition that expenditure to meet a threat to the company's trade was *ipso facto* of a revenue character.

Such propositions necessarily involved either a statement of mixed law and fact or misdirection upon a point of law, so that it was impossible to say that the Commissioners' determination was conclusive.

Omerod, L.J., put the position very clearly when he said it was quite true (as had been found by the Special Commissioners) that the £40,000 was expended with a view to meeting a threat to the stability of the factory and to its trade; and that was the purpose of the transaction with the National Coal Board. But the method the company chose to adopt to meet the threat to its buildings and thereby to its trade was one which involved the expenditure of money in acquiring a capital asset (just as if it had purchased the subjacent coal in the days when coal mines were owned by limited companies), and that seemed to him to be the "true and only reasonable conclusion" at which the Special Commissioners should have arrived on the facts. It might have been possible for the company to meet the threat to its trade by incurring revenue expenditure—for example, by carrying out some kind of engineering works which, while the mining of the coal went on, would have counteracted the effect of the mining and thereby preserved the stability of the factory—but they had not done that. All of which goes to show that the question where the line should be drawn between conclusions of fact and conclusions which, be they of mixed law and fact or law, are not mere conclusions of fact, is still a matter of difficulty and controversy—and likely to remain so.

Income Tax—Surtax

Sale of business—Profit on sale of stock—Purchaser indemnifying vendor against all liabilities "in relation to the . . . business"—Vendor carrying on business as agent of purchaser—Vendor to account and be indemnified accordingly—Stock

valuation on cessation—*Income Tax Act, 1952, Sections 130, 143, 144.*

In *re Hollebone's Agreement* (C.A. 1959, T.R. 147) illustrates the risk of adopting a common form precedent of a vending agreement without due regard to the circumstances of the particular case (see the observations of Jenkins, L.J.). By an agreement dated July 14, 1952, a vendor agreed to sell to a company, as at March 31, 1952, the whole of the assets of his wholesale wine and spirit business for £52,536 0s. 4d. The purchase price included a profit to the vendor of £20,000 over the net value of the assets at March 31, 1952, by reason of the addition of that sum to the value of the stock in the balance sheet. The notional back-dating of the sale to March 31, 1952, had no foundation in fact and the vendor carried on the business as his own from that date to July 14, 1952, when the sale to the company was completed and the business of the vendor discontinued. By clause 8 of the agreement, however, the vendor was to carry on the business between these dates as agent for the purchaser company and was to "account and be indemnified accordingly." Clause 4 of the agreement provided as follows:

The company shall undertake to pay, satisfy, discharge and fulfil all the debts, liabilities, contracts and engagements of the vendor in relation to the said business and indemnify him against all proceedings, claims and demands in respect thereof.

By Section 143 (1) (a) of the Income Tax Act, 1952, the £20,000 stock profit fell to be computed as part of the vendor's profits or gains for income tax purposes to July 14, 1952.

After completion of the sale, disputes arose between the vendor and the purchasers regarding the liability of the purchasers to indemnify the vendor in respect of income tax and surtax to which he became liable by reason of (i) the profit of £20,000 on the sale of the stock, and (ii) the profit made during the period April 1 to July 14, 1952.

The Court of Appeal agreed with Upjohn, J., that on the true construction of clause 4 of the agreement, the vendor's liability to income tax but not his liability to surtax (which is leviable on the individual (*Conway v. Wingate*, 1952, 31 A.T.C. 148)), by reason of the £20,000 profit on stock-in-trade, was a liability "in relation to" the business sold, against which the vendor was entitled to be indemnified by the purchaser. Two cases, *Dowdall, O'Mahoney & Co. Ltd.* (1952, 31 A.T.C. 126; 33 T.C. 259) and *R. v. Vaccari*

(1958, 37 A.T.C. 104), show that income tax exigible on the profits of a trade is a liability attaching to those profits when made, and not an expense of the trade or a debt contracted for the purposes of a trade. But Jenkins, L.J., said that the words "all the . . . liabilities of the vendor in relation to the said business" were of wide import and he did not see how the income tax liability of the vendor could escape inclusion in the category of liabilities of the vendor "in relation to" the business. (It is accordingly submitted that this important point should have found a place in the headnote of the case.)

The Court of Appeal also held that the indemnity conferred by clause 8 of the agreement was, on its true construction, limited to such liabilities as the vendor incurred by reason of his having carried on the business as agent for the purchasers between April 1 and July 14, 1952, and did not extend to any liability for income tax or surtax attributable to the £20,000 profit on the stock-in-trade which the vendor, acting as principal, sold to the purchasers. The Court thus reversed, in part, the decision of Upjohn, J., who had held that the purchasers were also liable, under clause 8, to indemnify the vendor in respect of the surtax liability arising on the sale of the stock. Upjohn, J., had relied on *Adams v. Morgan & Co. Ltd.* (1924, 1 K.B. 751) for his decision on this point, but the Court of Appeal distinguished the case on the ground that the sale of the stock in *Hollebone's* case was a transaction as between principal and principal and no question of agency entered into it at all, whereas in *Adams's* case the super-tax for which the plaintiff was liable to the Crown was assessed on profits for which he was accountable to the defendants as their agent.

Surtax

Undistributed income—Relief to taxpayer on subsequent distribution—Direction by Commissioners—Subsequent distribution exceeding profits available for distribution in relevant years—Extent of relief—Finance Act, 1922, Section 21—Income Tax Act, 1952, Sections 245, 249 (5).

The point in *C.I.R. v. Hudspeth* (Ch. [1959] 2 All E.R. 752) was short but one which, in the words of Vaisey, J., was "not a very easy one to grasp." In respect of the years ending on March 31, 1951 and 1952, a company made net profits (after providing for taxation) of £8,032 and £7,019, and distributed gross

dividends on account of those years of £2,300 and £2,500. In 1955 the company received notice from the Special Commissioners of Income Tax that they had computed the actual income from all sources of the company for surtax purposes under Section 21 of the Finance Act, 1922 (now Section 245 of the Income Tax Act, 1952) at £16,824 and £15,906 for the two years respectively and had apportioned those amounts among the shareholders. The amounts so apportioned to the taxpayer aggregated £7,820. In February, 1956, the company passed a resolution that, as the profits of the two years in question had been subjected to surtax, they should be distributed in the form of a dividend to shareholders. The gross sum received by the taxpayer as dividend was £7,820, which he included in his income tax return for the year of assessment 1955/56. He claimed relief from surtax for that year on the £7,820 under Section 249 (5) of the Act of 1952. The commercial profits actually made by the company for the years ending March 31, 1951 and 1952 (as distinct from the notional sums deemed to be apportionable as income under Section 245) were such that a total of £6,413 was actually available from the commercial profits, and from profits tax repaid in consequence of the surtax notice, towards the taxpayer's dividend of £7,820, leaving a deficiency of £1,407.

Section 249 (5) provides as follows:

Any undistributed income which has been assessed and charged to surtax under (Chapter III of Part IX of the Income Tax Act, 1952) shall, when subsequently distributed, be deemed not to form part of the total income for the purposes of surtax of any individual entitled thereto.

The Crown claimed that the taxpayer's relief from surtax under the sub-Section should be limited to £6,413, since the balance of the dividend actually paid must have come from the profits of other years. The appeal Commissioners held (*inter alia*) that the intention of Section 249 (5) being to give relief, it must be taken to refer to a sum capable of distribution—that is, a sum equivalent to the "actual income from all sources" of the company which had been assessed and charged to surtax under Chapter III; therefore, relief fell to be given on the whole of such amount when subsequently distributed. Accordingly, the taxpayer was entitled to relief in respect of the whole of the dividend amounting to £7,820.

Vaisey, J., said he was not surprised that the Commissioners had come to a

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conclusion which did not appeal to him. The words of Section 249 (5) were apparently very simple, very plain and very easy to construe, but in a way the Section was a complicated one. He held that the relief to which the taxpayer was entitled was limited to the sum of £6,413, because the difference of £1,407, having come out of the profits of other years which had not been subjected to surtax directions, did not qualify for the relief. Looking at Section 249 (5) broadly, it seemed to him that the object of the sub-Section was to ensure that the taxpayer should not have to pay surtax twice in respect of the same sum of money. It would seem, however, that in view of his Lordship's decision, surtax will be paid twice on the £1,407, firstly by the company and secondly by the taxpayer.

Profits Tax

Holding of investments or other property—Whether trade or business carried on by parent company—Whether subsidiary company holding investments or other property—Interim income from National Coal Board—Finance Act, 1937, Section 19 (1), (2), (4)—Coal Industry Nationalisation Act, 1946, Sections 19, 22.

In *Henry Briggs, Son & Co., Ltd. v. C.I.R.* (Ch. 1959, T.R. 141) the appellant company, in 1939, transferred its colliery business and the colliery businesses of two of its subsidiaries to a new company, Briggs Collieries, Ltd., which became a wholly-owned subsidiary of the appellant company. The parent company exercised control in matters of policy over the subsidiary company and also continued to own and operate other businesses, but its largest receipt was its dividends from Briggs Collieries, Ltd. The business of Briggs Collieries, Ltd., was nationalised on December 31, 1946, and the company went into liquidation on October 17, 1952, when the compensation moneys were fully received. The appellant company went into liquidation on July 18, 1951. Meanwhile Briggs Collieries, Ltd., paid large dividends to the appellant company out of the interim income it received under Section 19 (2) of the Coal Industry Nationalisation Act, 1946.

The Revenue contended that the appellant company was assessable to profits tax in respect of these dividends, on the ground that, since 1939, it was a property-holding company within Section 19 (4) of the Finance Act, 1937, which reads as follows:

Where the functions of a company or society incorporated by or under any enactment consist wholly or mainly in the holding of investments or other property, the holding of the investments or property shall be deemed for the purpose of this Section to be a business carried on by the company or society.

The company contended that it was carrying on a trade or business as colliery owners within Section 19 (2) of the Act, down to December 31, 1946; that Briggs Collieries, Ltd., was, after December 31, 1946, itself a property-holding company within Section 19 (4), and that the dividends received from that company were franked investment income of the appellant company. The Special Commissioners decided that the appellant company had been an investment-holding company since 1939; that Briggs Collieries, Ltd., was not an investment-holding company, and that the dividends in question were not franked investment income of the appellant company.

Upjohn, J., said the fact that the vast majority of the assets of the parent company consisted of shares in other companies was not conclusive that it was a Section 19 (4) company. That was clear from *C.I.R. v. Tootal Broadhurst Lee Co. Ltd.* (1949, 28 A.T.C. 1; 29 T.C. 352) and from the observations of Lord Simonds in *Electric & Musical Industries, Ltd. v. C.I.R.* (1950, 29 A.T.C. 156). On the other hand, that the parent company exercised some degree of control over the Board of Briggs Collieries, Ltd. was not conclusive that it was a Section 19 (2) company. It was a question of fact in each case, and the facts set out in the stated case did not entitle him to say that the only and true conclusion on those facts contradicted the determination of the Commissioners (*Edwards v. Bairstow & Harrison*, 1956, 34 A.T.C. 198; 36 T.C. 207).

The second point was whether on nationalisation Briggs Collieries, Ltd., became a Section 19 (4) company. The answer to that question depended largely upon the true construction of the word "functions" in Section 19 (4). In *C.I.R. v. Buxton Palace Hotels, Ltd.* (1948, 27 A.T.C. 62; 29 T.C. 329), Atkinson, J., defined the word as meaning "the activities appropriate to any business" and held that the hotel company, whose property had been requisitioned, was not a Section 19 (4) company, so that the compensation rent it received was not subject to profits tax. In *Carpet Agencies, Ltd. v. C.I.R.* (1958, 37 A.T.C. 331), too, where the company on ceasing to trade held

investments and other assets but no trading stock, it was held that Section 19 (4) did not apply. Briggs Collieries, Ltd. could never have re-entered into its colliery activities, but it might have decided to engage in some other trading activity, and then it would remain a trading company. Or it might have decided to become an investment trust company, and then it would engage in a new business of holding property. Since it did neither but resolved to wind up, it was not holding property as an activity appropriate to its business. It could only receive its compensation and die. Therefore, this point also failed and the appeal would be dismissed.

Estate Duty

Company—Shares—Control—"Assets" valuation—Allowance for contingent liabilities—Balancing charge—Liability not existing at the date of death—Finance Act, 1940, Sections 50 (1), 55—Income Tax Act, 1952, Sections 292, 297.

Re Sutherland (deceased), Winter and Others v. C.I.R. (Ch. [1959] 2 All E.R. 682) is a hard case which would seemingly have been decided otherwise in the absence of binding authority to the contrary. The deceased was the owner of shares in a company of which he had control during the five years ending with his death in March, 1953. The shares therefore fell to be valued for estate duty purposes in accordance with Sections 50 (1) and 55 of the Finance Act, 1940. The assets of the company included five ships. The agreed cost of the ships for income tax purposes was £847,907, and their value, as agreed with the Estate Duty Office, £1,150,000. Capital allowances had been received under Part X of the Income Tax Act, 1952, leaving unallowed expenditure (as defined by Section 297 of the Act) of £290,749. In the latter part of 1953 and early 1954 the ships were sold for £1,070,505 and a balancing charge of £548,318 was made under Section 292, which resulted in additional income tax and profits tax assessments on the company amounting in the aggregate to £370,114 13s. 0d. The question for the Court was whether, in computing the value of the deceased's shares at the date of his death, any allowance should be made in respect of the additional income tax and profits tax as "contingent liabilities" within Section 50 (1) of the Finance Act, 1940.

In *Re Duffy (deceased), Lakeman v. A.-G.* [1948] 2 All E.R. 756, the Court of Appeal held that the word "liabili-

ties" in Section 50 (1) of the Act of 1940 referred to the liabilities existing in law at the relevant date (the date of death) and did not include the anticipated income tax liability, which did not exist until the following financial year. The decision in *Re Duffy*, however, is overriden by Section 30 (3) of the Finance Act, 1954, in the case of deaths occurring on or after July 30, 1954. Any liability arising, or which may arise, after the death for taxation referable to income or profits accruing *before* the death (whether then realised or not) is to be allowed for as it were an actual but contingent liability at the date of the death (see *Green's Death Duties*, fourth edition, page 179).

In the *Sutherland* case, Danckwerts, J., said that the whole question turned on the construction of the words "contingent liabilities". At the date of the deceased's death there was clearly no presently existing liability for any balancing charge or the income tax and profits tax liabilities which would result from the balancing charge.

But the Section refers to liabilities which have not matured at the date of the death and to contingent liabilities. Liabilities which have not matured are obviously liabilities which are then binding on the company, but which will not become

payable until a future date. Contingent liabilities must be something different from the first-named liabilities.

An event did not seem to him to be less a contingency because, as in the case of ships, it was one which was brought into being at the will of the person (executor) who would become liable to the balancing charge. But if the liability at the date of the deceased's death was a contingent liability within the meaning of Section 50 (1) of the Act of 1940, it was not to be measured by the amount of the income tax and profits tax which in fact became assessable on the company by reason of the actual sale of the ships in 1953/54. It was something which had to be estimated (see observations of Danckwerts, J., in *Re Holt, Holt v. C.I.R.* (1953) T.R. 373) at the testator's death, presumably without knowledge of the facts of the sale which actually took place. With so many contingencies of unknown result affecting the matter, the estimation of the prospective liability (if any) must be a matter of the greatest difficulty, though there was also a difficulty in seeing why the liability which might arise was not a contingent liability. He felt doubt whether the judgment of Lord Greene, M.R., in *Re Duffy* did not concentrate on the word "liability" to the exclusion

of the qualifying adjective "contingent," but as the Court of Appeal had put a definite construction on Section 50 (1) of the Act of 1940 in *Re Duffy*, he did not think he could regard that decision as no longer binding, and accordingly no allowance ought to be made in respect of the additional income tax and profits tax resulting from the balancing charge.

The case would seem to indicate the desirability of amending legislation to extend the meaning of "liabilities" and "contingent liabilities" within Section 50 (1) where, say, the sale takes place within three years of the death.

Estate Duty

Company—Shares—Valuation—Control of the company—Shares held by deceased jointly with others in fiduciary capacity—Name of deceased first on company register—Meaning of words "control of the company"—Whether permissible to look beyond share register—Finance Act, 1940, Sections 55 (1) (a), (3) (a), (5), 58 (5)—Companies (Consolidation) Act, 1908, Table A, Article 61.

Barclays Bank, Ltd. v. C.I.R. (C.A. [1959] 3 All E.R. 140) is reported and discussed in a Professional Note, "Control of the Company," on an earlier page.

Tax Cases— Advance Note

COURT OF SESSION (Lord Thomson (Lord Justice-Clerk), Lord Patrick and Lord Mackintosh).

Murray's Trustees v. Lord Advocate. July 24, 1959.

B. died on July 9, 1951. Under the will of her father, M., she had enjoyed an annuity of £1,000, expressed to be during the life of his widow, who survived her. She had also enjoyed the *liferent* alimentary use of one-third of the residue of his estate. The residue was burdened (1) with the obligation of providing an annuity of £7,000, free of income tax, to his widow, (2) with the obligation of maintaining a house for the *liferent* use of the widow and paying the burdens, rates, taxes and insurance in respect of it, (3) with the *liferent* use

of the furniture in that house, which he gave to his widow, and (4) with the annuity of £1,000 payable to B.

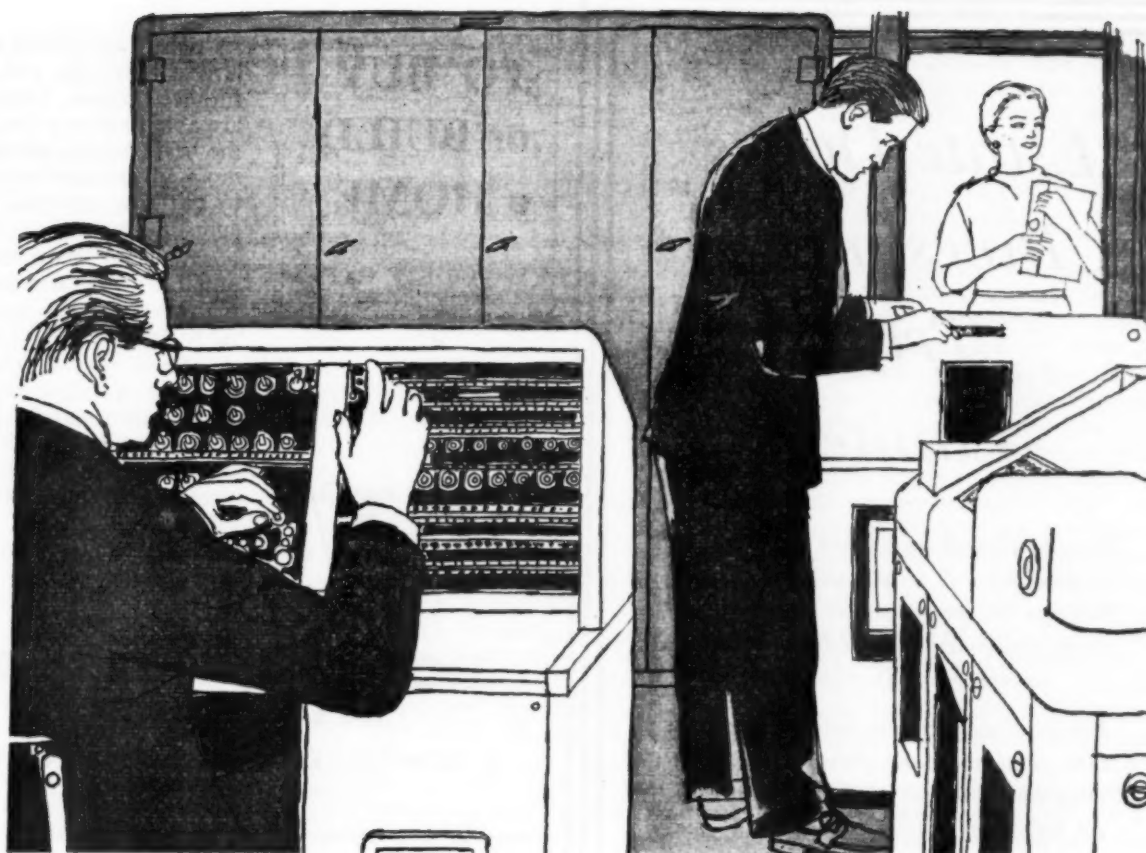
On January 22, 1952, M.'s trustees lodged an account with the Edinburgh Estate Duty Office for the property passing on B.'s death. From the residue were deducted capital sums necessary to produce the widow's annuity and to defray the house expenses and an amount representing the *liferent* furniture. One-third of the net figure, less a capital sum to produce B.'s annuity, was arrived at as the dutiable sum. The deductions made were in accordance with the decision in *A.-G. v. Glossop*. In May, 1952, *Re Lambton's Marriage Settlement* was decided, and in November, 1952, *Re Longbourne*. The effect of these decisions was that the method of deducting "slices" of capital in cases such as the present was not correct in law. In the present case a very much smaller sum would be deductible in view of the later cases, with a consequential increase in the duty payable. A circular was sent in

December, 1952, to Estate Duty Office examiners, explaining the effect of the two decisions.

For an unexplained reason the Estate Duty Office examiner assessed the duty on the *Glossop* basis in January, 1953. Duty was paid on this basis and a receipt given.

In 1956 the trustees' solicitors asked for a certificate of discharge. The Revenue stated that deductions should not have been made on the "slice" principle, and claimed more duty. The trustees claimed that Section 35 of the Finance Act, 1951, precluded the Revenue from exacting the additional duty.

The Court decided unanimously in favour of the Revenue. The examiner had acted in ignorance of the "view of the law which at the time" (that is, before the final settlement of the liability) "was generally received" and Section 35 did not protect the trustees, who were liable for the additional duty, under the Finance Act, 1894, Section 8 (7).



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The Month in the City

Equities Bound Ahead

In August, for the first time ever, the yield on Ordinary shares, as shown by the *Financial Times* index, dropped below the yield on 2½ per cent. Consols. The rise in equities and fall in fixed interest stocks with which July had closed soon received fresh impetus from a number of directions. Disinvestment to finance the continuing spending spree, both by withdrawal of invested funds and by further growth in hire purchase, was one factor, marked expansion in the profits of American companies, particularly those which were in trouble a year ago, was another. Then, after payment of £7 million to E.P.U. and an undisclosed amount of Iraq selling of sterling for gold and dollars, the reserves went up by £17 million. Less tangible factors included a growing belief in the success of the Conservatives at the coming general election. These various influences continued to dominate the market throughout the month and were reinforced by good company results, a narrowing of the trade gap and, towards the end of August, a very optimistic statement by the Treasury and a new public opinion poll strengthening the expectations of the election result. The two reports of the month, the third of the Cohen Committee and that of the Radcliffe Committee, had little immediate effect on the market, but both tended to suggest that long-term rates of interest were likely to remain high, whatever might happen in the next few weeks or months to short-term rates. Here was another factor favouring equities against fixed interest stocks. Only the continuing flow of new issues, which was not however exceptionally large, worked in a contrary sense. The rate of flow of issues was in fact largely dependent on the strength of the market for Ordinary shares, and the issuing houses were careful not to flood the market. The myth that equities must always yield more than long-term fixed interest had already been dispelled, but it was not until August 27 that the "yield gap" actually reversed itself, or became a minus quantity. The following changes occurred in the indices of the *Financial Times* between July 31 and August 31: Government securities and fixed interest down from 86.32 and 94.20 to 85.40 and 94.09 respectively; industrial Ordinary

shares on gold mines up from 237.0 and 89.5 to 258.7 and 90.4 respectively.

Government Funding

Among the issues of the month pride of place must go to the offer of stocks by the Government for cash and in conversion of the £302 million of 3 per cent. War Loan falling due on October 15. Two stocks were offered in unlimited amount, a 4½ per cent. Conversion 1964 at par and a 5 per cent. Treasury stock 1986/89 at 98, both payable in full on application for cash applications. Interest on the maturing stock was paid without deduction of tax if the holders were not ordinarily resident in the United Kingdom, but this advantage to those not liable to United Kingdom income tax is not conferred by the new issues. The choice of stocks, and particularly the long date of the 5 per cent., caused some comment and the conclusion drawn was that the authorities were less anxious to secure a large subscription from the public, including the discount market, than to have the means to control the long end of the gilt-edged market and to demonstrate that they see no prospect of a substantial fall in long-term rates. Cash lists opened and closed on August 12, and in the event applications for some £157 million of the Treasury stock were allotted in full. When on August 26 the conversion lists closed it was found that holders of almost two-thirds of the War Loan had accepted the terms, £54 million taking the Conversion 1964 and £144 million the Treasury stock, making the total of that issue £301 million or almost exactly the amount of the maturing stock, of which £104 million will have to be paid off in cash. Presumably the great bulk of the shorts taken up represents genuine applications from the money market, but it is thought that some five-sixths of the Treasury stock has gone inside the Departments. If any sale of this stock is effected over the next few months it will be both a welcome relief, at a time when Government borrowing through Treasury bills is on the increase, and, if gilt-edged prices are continuing to slump, an earnest that the authorities are acting on the Radcliffe report. The stock at least replaces the now exhausted supply of 5½ per cent. Conversion.

Other New Issues

Last month produced a further considerable flow of new demands on investors, of free scrip issues and of takeover bids. Mention must also be made of a fusion—not a normal takeover—between *Philip Hill Higginson* and *Erlangers*. Takeover bids were, in chronological order, an offer by *H. Jasper* for *Ely Brewery*, one by the *Royal Exchange* for *Atlas Insurance*, involving some £16 million, a scheme for *Japhet*, a subsidiary of *Charterhouse*, to acquire control of *Noble Lowndes Finance* in order to increase the *Charterhouse* interest in hire purchase, and some progress in the *Ultramar* plans for securing a distributive outlet. Of issues involving money there was an £8 million unsecured loan stock by *General Electric*, half in conversion of a maturing 3½ per cent. issue and the rest offered to stockholders and shareholders of the group; there was also an offer of one £1 share at 50s. for every five shares held by the *Bank of Scotland*, accompanied by a free scrip issue of equal amount; and there were other placings and offers for sale in considerable number. An offer by *City Wall Properties* deserves mention because the issuing house warned that all cheques with applications would be immediately presented for payment. Of free scrip issues two were by steel companies, *Lancashire Steel* and *Firth Brown*.

House of Fraser Acquire Harrods

Throughout most of the month the battle for *Harrods* continued to attract a great deal of interest. Quite early, the *Harrods* Board definitely came out in favour of the *Debenham* offer; on August 18 *House of Fraser*, having already bought 450,000 Preference shares from *United Drapery*, raised their bid for *Harrods* Ordinary by 6s. 8d. per share, and two days later *Debenhams* increased theirs by 10s. By August 25 it was possible for *House of Fraser* to announce that they had secured control and the battle was over. At that stage their "A" shares were quoted at 32s. 3d. against 44s. 6d. before the first bid was made, while *Debenhams*, at the same price, showed a slight improvement on the June level. Since then, however, *Fraser* shares have been strong. Nonetheless, it could prove a Pyrrhic victory—the price is very high and it is by no means evident that it can be made to pay dividends in the near future, whether or not, as some expect, the character of *Harrods* is sacrificed.

Points From Published Accounts

A Notable Consolidation

Before the public offer for sale of four million Ordinary shares of £1 each in May of this year, *Charterhouse Group* was a subsidiary of Charterhouse Investment Trust. The decision to float the group, divorcing it from the control of its parent, has brought about profound changes in the accounts. They are now prepared to give a consolidated picture of the group as a whole, as well as preserving details of the individual contributions made by the various sections. The group has completely redrafted the format of its accounts for the year to November 11, 1958, and for the comparative figures of the preceding year. Previously, to arrive at a consolidated picture, it was necessary to add in the difference between the net assets (and profits) attributable to the subsidiaries, and the figures at which these assets stood in the parent balance sheet (or the amount of profit taken in as dividends). It was always a highly complicated business, even for those qualified to juggle with figures.

The maiden effort, which has resulted in a much more compact accounting picture, calls for full praise. The task of consolidation was quite clearly a very heavy one.

The group now comprises Charterhouse Group, the parent, which is merely a holding company having, as fully-owned subsidiaries, Charterhouse Industrial Development, Charterhouse Industrial Holdings, Charterhouse Finance Corporation, S. Japhet and Co., and Glanvill, Enthoven; Charterhouse Canada is a 55 per cent. owned subsidiary. The Development company has 100 investments in a wide range of associated industrial and commercial companies, with an aggregate book value of more than £6 million. Charterhouse Industrial Holdings has investments in some eight industrial and commercial subsidiaries; the Finance Corporation operates as an issuing house and carries on general finance business; S. Japhet is a merchant bank; Glanvill, Enthoven operates as insurance brokers; and Charterhouse Canada carries on business in Canada.

Looking at this set-up, it is clear that

some distinction between these wide-flung interests is desirable in the accounting procedure, and this distinction is, in fact, shown very adequately, both in the profit and loss account and in the balance sheet. In the profit and loss account, the profit of the S. Japhet subsidiary is shown quite separately under the sub-heading "Banking Profit." The bulk of the group income is given under the sub-heading "Non-Banking Profits and Income" as follows:

	Notes	£
Income from Industrial and Commercial Investments	1	377,159
Trading Profits (less losses) of Industrial Subsidiaries	2	844,115
Insurance - Broking Profits and other Income	3	220,606
Balance from Issues, Offers for Sale and sundry receipts	4	119,022
		<hr/> 1,560,902

This analysis leaves little to be desired, particularly when related to the even greater detail shown in the relevant notes on the facing page. Thus, note 1, relating to the income from Industrial and Commercial Investments, reads as follows:

1. Income from Industrial Investments:	
Dividends and Interest (gross)	£
Quoted Investments	64,865
Other Investments	390,998
Profit on Realisation of Investments	30,523
	<hr/> 486,386
Deduct: Provision for depreciation of Investments	109,227
	<hr/> £377,159

The same basic pattern of separation has been preserved in the consolidated balance sheet, where the net assets of S. Japhet, amounting to £1,688,594, are brought in separately. The main items only are taken into the balance sheet, leaving the greater detail, once again, to the notes section on the facing page. Additionally, there is a comprehensive statement of the net current assets, and the fixed assets, together with the net assets of the S. Japhet subsidiary. In the

statement of net current assets and fixed assets, there is a further analysis to show the proportions attributable to the industrial and commercial subsidiaries, to the insurance subsidiaries, and to the holding company and financial subsidiaries. The picture is rounded off with a chairman's review, which explains the effects of the reorganisation, and provides an indication of future policy.

One small point of criticism. The accounting years of the subsidiaries are not the same as the accounting year of the holding company. That is understandable enough, and the spread, effectively less than six weeks, is a very short one. However, the reason for lack of coincidence of accounting dates is required by the Companies Act to be stated, but all that is said is that it would be "impracticable" to prepare accounts for identical accounting years "in view of the nature of the businesses" of the subsidiaries. No doubt the impracticability stems from the fact that it takes longer to prepare the accounts of an industrial or commercial company than those of a holding company, but many shareholders would not light upon this reason of their own accord.

All in all these accounts preserve a most commendable balance between the need to present an overall picture of the group as a whole, and the equal need to provide details of the constituent parts of the group. Any attempt to cram all the details into the accounts proper would have produced confusion. As things are, the notes sections and individual statements have been employed very satisfactorily indeed.

Accounts of Bristol Cream Quality

John Harvey and Sons, the Bristol wine blending and merchanting business, has got off to a good start with its maiden accounts as a public company. They are very tastefully laid out; have the virtue of clarity and simplicity; and append explanatory statements of the profit and loss account and balance sheet. These statements are couched in the narrative form. Thus, current assets are amplified as "We own the following assets which are not readily realisable." The picture is rounded off with comparative statistics covering a five-year period.

The Part and the Whole

Anyone not familiar with accounts might find it puzzling at first sight to see the balance sheet of *Hector Whaling* and its subsidiaries totalling less than that of the parent alone, and the profit of the parent more than that of the parent and the subsidiaries. The latter disparity is

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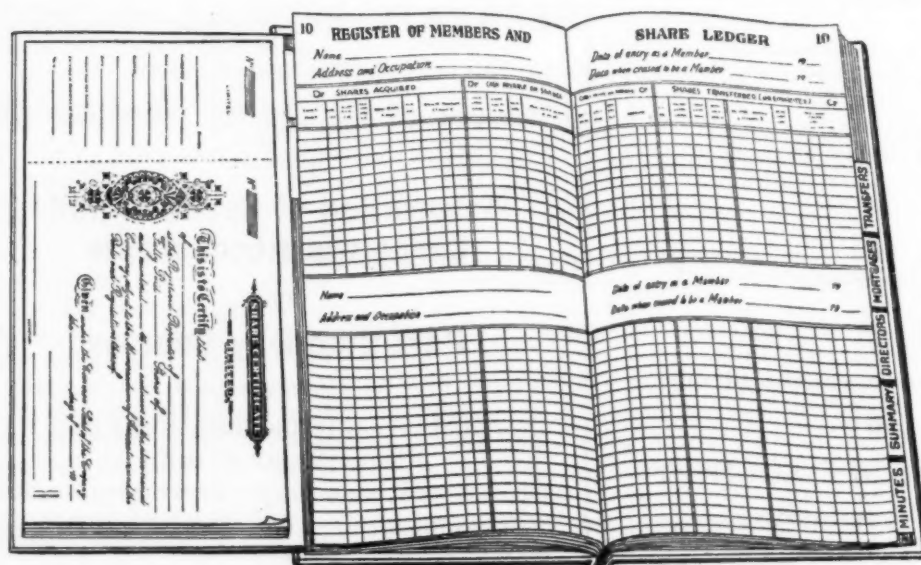
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easily accounted for, if one assumes that the subsidiaries have been operating at a loss, but a certain amount of detailed analysis is necessary to explain the difference in balance sheet totals. The key is the £2,342,780 that the parent company has borrowed from subsidiaries, appearing as a part of its current liabilities. Since this money has been borrowed from the subsidiaries, it follows that it must figure as a credit in

their current assets. Indeed, if the assets of the subsidiaries were shown separately, they would disclose this item. However, they are not; they are consolidated with the parent's accounts, and so it can be seen that the credit item in the subsidiaries' accounts cancels out the liability in the parent's accounts, leaving the total assets of the group £1,620,849 lower than those of the parent.

Naturally, the net assets of the group

are in excess of those of the parent—and an accountant will look to the net assets rather than the total assets. But while the position is clear enough if the accounts are looked at carefully, it is not likely to be readily grasped by anyone who is entirely innocent of accountancy, and for this reason it seems a pity that the directors have not seen fit to put some explanatory note on the balance sheet.

Letters to the Editor

Pity the Australian Tax Specialist!

Sir,—The Australian accountant, unhappy fellow, is unable to attain the pinnacles of satisfaction available to his English counterpart. I refer, of course, to the technical intricacies of United Kingdom income tax, and the masterly juggling that can be performed therewith.

Australian income tax is assessed on an actual year basis, and is so constructed as to cause the least of difficulty. I nostalgically remember the parry and thrust of claims and contra-claims with the Inspector of Taxes—and the chess-like nature of one's moves in the field of loss claims, so as to extract the maximum benefit of personal reliefs, reduced rate reliefs, and losses to carry forward.

It is all so prosaic here—even the wages departments know nothing of the refinements of coding notices, emergency cards, gross and free pay to date, etc.—they just deduct an amount based on the week's pay and the personal reliefs an employee says he is entitled to, and any adjustments are calculated by the Tax Office at the end of the year, when every taxpayer has to put in a return.

The trouble is, there's no need for the taxation specialist—for any half-baked accountant can do it!

Yours faithfully,

C. R. PRATT, A.C.A.

Perth, Western Australia.

Set-off of Losses by Partners

Sir,—A claim for relief under Section 142 of the Income Tax Act, 1952 (losses of one business set off against the profits of another) was submitted to the Inspector of Taxes.

In the particular instance a business was purchased by three individuals forming a partnership. These same three individuals

were already in partnership in another existing business.

The results of the business purchased for the first year of trading (the year ended November 30, 1957) showed a substantial loss, and a claim under Section 142 was submitted to have the loss set off against the profits of the business already existing.

The loss for the year ended November 30, 1957, was apportioned in accordance with Section 128 of the Income Tax Act, 1952 (period of computation at commencement of trades, professions, vocations) thus: 1956/57, period December 1, 1956, to April 5, 1957; 1957/58, year ended November 30, 1957; and 1958/59, year ended November 30, 1957, in accordance with Section 127 of the Income Tax Act, 1952 (computation under Cases I and II to be normally on profits of previous year).

In some of the above years the share of the profits of two of the partners of the existing business was not sufficient to absorb the full amount of their share of relief due under Section 142 in these years. Accordingly it was claimed that the loss not absorbed should be carried forward by the partners concerned under Section 342 of the Income Tax Act, 1952 (right to carry forward loss to future years), the reasoning being as follows:

(a) The profits or losses of each business are computed in accordance with the Income Tax Act, 1952, etc., and the adjusted profit or loss arrived at.

(b) In the case of the new business the provisions of Sections 127 and 128 apply.

(c) When the profits or losses as adjusted for income tax have been arrived at, and a claim made under Section 142, the loss from the trade or profession is set off against the profits of the other business.

(d) As in this case relief "has not been wholly given . . . under any other provision of this Act, he may claim that any portion

of the loss on which relief has not been so given shall be carried forward and, so far as may be, deducted from or set off. . . ." Accordingly the losses of the partners not absorbed under Section 142 should be carried forward under Section 342.

The Inspector of Taxes does not agree with this contention. In his opinion, the loss to be carried forward under Section 342 is so much of the adjusted loss for the accounting period as is not relieved under any other Section, and as the total relief in this case to be given to each partner under Section 142 for the years 1956/57, 1957/58 and 1958/59 will exceed their shares of the adjusted loss for the year ended November 30, 1957, there will therefore be no balance to carry forward to 1959/60. Upon being asked for a statutory authority for this opinion, he quotes Sections 142 and 342 of the Income Tax Act, 1952.

It seems that the Inspector's contention is unreasonable, because the partner whose share of the profits in the existing business was sufficient to cover his share of the losses in the new business will be given relief which will exceed very considerably his share of the adjusted loss for the year ended November 30, 1957, namely his proportion of the losses for that year spread over the three fiscal years 1956/57, 1957/58 and 1958/59. Accordingly the other partners should get the full amount of their shares of the loss apportioned on similar lines.

I should be obliged if you would let me have your views as to the correct procedure.

Yours faithfully,

EAGLETON

Belfast.

[The Inspector's contention is correct. It is certainly unfortunate that the two partners whose shares of the profits of the existing business are insufficient to cover their share of the losses under Section 142 cannot obtain relief to the same extent as does the other partner. Here is just another example of the inequity which frequently arises between individual taxpayers whose circumstances appear to be similar.—Editor, ACCOUNTANCY.]

Legal Notes

Companies—

Restrictions in Articles of Association on Transfer of Shares

The decision of the House of Lords in *Lyle & Scott Ltd. v. Scott's Trustees* [1959] 3 W.L.R. 133 was reported and discussed in our issue of July/August (pages 354-5).

Contract—

Implied Limitation on Scope of Exceptions Clause

In *Sze Hai Tong Bank Ltd. v. Rambler Cycle Co. Ltd.* [1959] 3 W.L.R. 214 the respondents shipped goods from England to Singapore, paying freight in advance. The bill of lading required the goods to be delivered "unto order or his or their assigns" and by clause two provided that "(c) . . . the responsibility of the carrier, whether as carrier or as custodian or bailee of the goods, shall be deemed . . . to cease absolutely after they are discharged" from the ship.

When the goods had been discharged at Singapore the consignees wished to get possession of the goods but not to pay for them at that time. The carrier's agents released the goods to the consignees against an indemnity given by the consignee's bank in favour of the carrier. The bill of lading was not produced to the carrier's agents and was in fact held by the Bank of China, who would not deliver it except against payment. The consignees never paid for the goods and the respondents claimed against the carrier for damages for breach of contract or conversion. The bank giving the indemnity admitted liability to indemnify the carrier if he were liable.

The Judicial Committee of the Privy Council on appeal from the Court of Appeal of Singapore held that a shipowner who delivered without production of the bill of lading did so at his peril. The contract was to deliver on production of the bill to the person entitled under the bill. The shipping company did not deliver the goods to any such person, and was therefore liable for breach of contract unless there was some term in the bill of lading protecting it.

The appellants relied upon clause two for protection of the shipping company, but their Lordships declined to attribute to the clause the effect contended for. Both as a matter of construction and

because if such a wide interpretation were given to the exemption clause it would run counter to the main object and intent of the contract, there must be an implied limitation on the clause. It would entirely defeat the object of proper delivery of the goods if without being liable for the consequences the shipping company were at its own will and pleasure to deliver the goods to somebody else not entitled to them. The clause must therefore be limited and modified to the extent necessary to enable effect to be given to the main object and intent of the contract. It must at least be modified so as not to permit the shippers deliberately to disregard its obligations as to delivery.

Their Lordships held that the shipping company had deliberately disregarded one of the prime obligations of the contract. No court could allow so fundamental a breach to pass unnoticed under the cloak of a general exemption clause.

Executorship Law and Trusts— Attesting Witness Subsequently Appointed a Trustee

In *Re Royce's Will Trusts* [1959] 3 W.L.R. 254 the Court of Appeal considered whether the solicitor-trustee was entitled to remuneration under the will.

By clause 16 of his will the testator provided that "if and so long as my trustees are retaining any part of the trust fund [residuary estate] and receiving and applying the income it shall be lawful for them to pay themselves out of such income . . . 5 per cent. thereof to be equally divided between them by way of remuneration for their services."

By clause 17 he provided that "any person who may for the time being be an executor or trustee of my will and who may be a solicitor shall be entitled to charge and shall be paid out of my estate for his services in the same manner as though not being an executor or trustee he had been employed by my executors or trustees to render such services."

One of the two trustees appointed by the testator died shortly after the will had been proved and the surviving trustee appointed a solicitor to be a trustee in place of the one who had died. This solicitor had attested the will.

The Court of Appeal was asked to determine whether having regard to the fact that the solicitor-trustee was an attesting witness to the will he was entitled to remuneration under either or both of the clauses.

In reversing the decision of Wynn-Parry, J. (see ACCOUNTANCY, January,

1959, page 37) the Court held that the solicitor was not by virtue of Section 15 of the Wills Act, 1837, excluded from taking benefits under the will if he were otherwise entitled to them, as the Section contemplated the point of time when the will was attested and the question was whether at that time any beneficial interest was given to the attesting witness under the will. In the present case he became interested only by some later act or event. Romer, L.J., said that the solicitor was *functus officio* as an attesting witness long before it could be said of him in any sense that he was "interested" under the will.

The Court also held that the solicitor was entitled to the benefits given by both clauses which gave different amounts for different services.

Miscellaneous—

Division between Man and Mistress of Quasi-Matrimonial Home

During the last few years the courts have considered on a number of occasions the way in which the matrimonial home or the proceeds of its sale should be divided between husband and wife, and the general principle has been established that where both parties have a substantial beneficial interest in the house and it is not possible or right to assume some more precise calculation of their shares, the shares should be held to be equal.

In *Diwell v. Barnes* [1959] 1 W.L.R. 624, the Court of Appeal was concerned with a dispute between the administratrix of a man and the mistress with whom he had lived for a number of years in two houses. The first house, of which the man was originally a tenant, was bought by him on mortgage and the mistress from her own resources made a substantial proportion of the mortgage repayments; this house was then sold and another house bought in the man's name. The man then died.

The Court held by a majority that the cases relating to husbands and wives were not applicable and, although the maxim "equity delights in equality" was not confined to husband and wife cases, the mistress was not on the facts entitled to a half share. On the other hand, she was not limited to having a charge on the second house for the amounts which she had paid off the mortgage on the first house; she had an equitable interest equal to the proportion which her repayments of the mortgage on the first house bore to the purchase price of that house.

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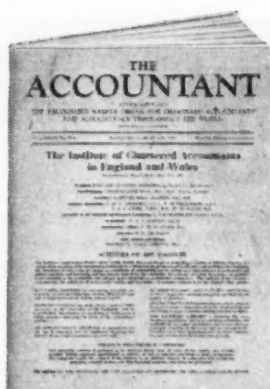
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ACTS OF PARLIAMENT

Small Lotteries and Gaming Act, 1956 (Amendment) Act, 1959. Amending the law with respect to licensed premises.
Nuclear Installations (Licensing and Insurance) Act, 1959. Making provision for the regulation of installations and providing for cover and liability in respect of radiation emitted.
National Insurance Act, 1959. Altering contributions payable to N.I. Fund and retirement benefits payable under the Acts of 1946 to 1957.
Pensions (Increase) Act, 1959. Providing for increase of pensions payable under the Superannuation Acts, etc.
National Assistance Act, 1959. Empowering Minister to make orders increasing amount of payments to certain persons.
Rights of Light Act, 1959. Amending law relating to rights of light.
Appropriation Act, 1959.
Fatal Accidents Act, 1959. Amending Act of 1846 and Carriage by Air Act, 1932, by enlarging the class of persons for whose benefit an action may be brought.
Colonial Development and Welfare Act, 1959. Consolidating the Acts of 1940 to 1959.
Mental Health Act, 1959. Repealing the Acts 1890 to 1938 and making fresh provision for care and treatment and with respect to patients' property and affairs.
Legitimacy Act, 1959. Amending Act of 1926, legitimating the children of certain void marriages and amending the law relating to children born otherwise out of wedlock.

STATUTORY INSTRUMENTS

No. 1207. Smoke Control Areas (Exempted Fireplaces) Order. Exempting specified fireplaces on the conditions set out in the Order.
No. 1267. Tribunals and Inquiries (National Assistance Adjudicator) Order. Bringing adjudicator under direct supervision of Council on Tribunals and providing for appeal on point of law to High Court.
No. 1286. Town and Country Planning General Development Order. Prescribing procedure for obtaining and for appealing against terms of certificate under Section 5, etc.
No. 1287. Town and Country Planning (Prescribed Forms of Notices) Regulations. Prescribing forms of notices under Sections 14, 16, 19, 20, 21, 39 and 40 of the Act.
No. 1318. Town and Country Planning (Limit of Annual Value) Order.
No. 1278. National Insurance (Unemployment and Sickness Benefit) (Amendment) (No. 2) Regulations. Amending Regulations of 1948 and 1959 as to provisions relating to circumstances in which a day is not treated as a day of employment.
No. 1289. Compensation (Occasional Use of Land for Defence Training Purposes) (War Office) Regulations. Prescribing form in which claims for compensation arising out of orders made by War Office shall be made.
No. 1296. Inter-Governmental Maritime Consultative Organisation (Immunities and Privileges) Order. Amending Order of 1955.
No. 1309. Civil Aviation Act (Application to Crown Aircraft) Order. Applies Section 10 of Act of 1949 to all H.M. aircraft, both civil and

military.

No. 1340 (L.10) Pensions Appeal Tribunals (England and Wales) (Amendment) Rules. Increasing fees to medical specialists and expenses in respect of medical witnesses and reports.

No. 1357 (C.9) Road Traffic Act, 1956 (Commencement No. 8) Order. Bringing into operation Section 1.

No. 1396. Exchange of Securities (No. 2) Rules. Prescribing procedure as to acceptance of offer to exchange 3 per cent. War Loan 1955/59 into 4½ per cent. Conversion stock and 5½ per cent. Treasury stock.

No. 1400. Housing (Prescribed Forms) (Amendment) Regulations. Making certain alterations and substituting new forms.

DECISIONS OF THE COURTS

Arbitration

Case remitted by Court of Appeal to umpire to reconsider certain issues since his view of the law as applied to the facts before him involved a radical departure from the cases as presented by the parties.

Société Franco-Tunisienne d'Armement-Tunis v. Government of Ceylon (1 W.L.R. 787).

Bye-Laws

Appeal allowed against judgment of Vaisey, J. Resolution for adoption of new bye-laws held valid.

Knowles v. Zoological Society of London (1 All E.R. 595).

Companies

Judicial Committee upheld finding of court of first instance that representations in circular letter with reference to private company in Kenya were untrue but appellants honestly believed them to be true at the time when made.

Akerhielm v. De Mare (3 W.L.R. 108).

Creditor for necessities could become secured creditor by arresting a vessel of the company after notice of meeting to propose voluntary winding-up; arrest not "execution" within Section 325 of Companies Act, 1948.

The Zafiro (3 W.L.R. 123).

Shareholders who had agreed to sell shares and had received and retained the price must be deemed to wish to transfer them and must comply with the articles of private company.

Lyle & Scott Ltd. v. Scott's Trustees (3 W.L.R. 133).

Control of a limited company depends upon its own constitution, and what it does is determined by the resolutions of its corporators, so that those who command a majority in general meeting control the company.

Barclays Bank Ltd. v. Inland Revenue Commissioners (3 W.L.R. 240).

Copyright

Gramophone records distributed to public for cash price plus chocolate wrappers held to infringe copyright of musical work.

Chappell & Co. Ltd. v. Nestlé Co. Ltd. (3 W.L.R. 168).

Estate Duty

Trustee shareholder held to have control of

company within meaning of Section 55 of Finance Act, 1940.

Barclays Bank Ltd. v. Inland Revenue Commissioners (supra).

No allowance to be made under Section 50 (1) of Finance Act, 1940, in respect of additional income tax and profits tax resulting from balancing charge because at death there was not even a contingent liability.

Re Sutherland, deceased (2 All E.R. 682).

Landlord and Tenant

Landlords' interest had been purchased within five years of termination of tenants' current tenancy and the landlords were not entitled to oppose tenants' application for new lease.

Frederick Lawrence Ltd. v. Freeman Hardy & Willis Ltd. (3 W.L.R. 275.)

Mines and Minerals

If anything less than full compensation for consequential damage were granted it would amount to expropriation of the valuable right of support, and it was clear that the Act of 1923 imposed no such obligation on the Court.

In re National Coal Board's Application (3 W.L.R. 152).

Negligence

On the evidence the jury was entitled to find negligence, since the evidence as to trade practice alone could not be treated as conclusive in favour of defendants.

Cavanagh v. Ulster Weaving Co. Ltd. (3 W.L.R. 262).

Perpetuity Rule

Purported exercise of power void as power void *ab initio* because capable of being exercised beyond period allowed by the rule.

In re Watson's Settlement Trusts (1 W.L.R. 732).

Rates and Rating

The purpose of Section 56 of Local Government Act, 1948, is to place the liability to rates in respect of exhibition of advertisements on land directly on person enjoying right to advertise instead of on owner.

Imperial Tobacco Company Ltd. v. Pierson (1 W.L.R. 761).

The purchase or selling price of a property was not a relevant factor in arriving at the notional rent figure postulated by the Valuation for Rating Act, 1953.

Sole v. Henning (1 W.L.R. 769).

Decision of Court of Appeal reversed by House of Lords. Grading and sorting of skins into individual lots constituted an "adapting for sale" within the meaning of the Section.

Hudson's Bay Company v. Thompson (3 W.L.R. 317).

Restrictive Practices

Minimum prices held contrary to public interest.

In re Wholesale and Retail Bakers of Scotland's Agreement. In re Scottish Association of Master Bakers' Agreement (T.N. July 24).

Restriction held not contrary to public interest.

In re The Water-Tube Boilermakers' Agreement (T.N. August 1).

Vendor and Purchaser

Where vendor had neglected to obtain consent of mortgagees to sale before contract he was not entitled to rescind under power conferred by Law Society's Conditions of Sale, 1953.

Baines v. Tweddle (3 W.L.R. 291).

Will

Income during lifetime of widow was not disposed of by will and devolved as on testator's intestacy because on true construction of will there was no reason to depart from ordinary literal meaning of words used.

Re Wragg deceased (2 All E.R. 717).

ARTICLES

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ABBREVIATIONS USED

All E.R. The All England Law Reports
T.N. The Times Newspaper
W.L.R. The Weekly Law Reports

Note: Taxation cases and articles excluded

Publications

Social Accounting and Economic Models. By Richard Stone and Giovanna Croft-Murray. Pp. 88. (*Bowes and Bowes*: 9s. 6d. net.)

THIS SHORT ACCOUNT of the basis of economic models is intended as a continuation of *The Introduction to National Income and Expenditure*, written a decade ago by Meade and Stone. It takes the reader very much further into this most important development of economic analysis—always assuming that his mathematical ability is equal to the exposition (for example, "total expenditure can be plotted on the sigmoid curve of the standardised log-normal interval") Economic model building uses mathematical techniques and cannot be grasped intelligently by the student unless he is adequately equipped mathematically.

For the specialist taking economic statistics the book is a useful summary introduction to a highly complex subject. Yet the emphasis on principles, inevitable though it may be, by reason of the compression of the subject within such small compass, may lead some students to overlook the most serious defect of the technique expounded—namely, the deficiencies of the basic statistical material on which the relationships must be based, our limited knowledge of the inter-relationships of causative factors, and the time lags about which assumptions have to be made. All this is not to suggest that economists should not experiment with these new tools in the hope that they may serve some useful purpose. Rather,

it implies that until the techniques are of proved value and reliability the average student is best kept away from them. The real problem is that mathematics is a science; while economics is still an art. The offspring of the marriage of these two disciplines is still something of an enigma to members of both the parents' families. Perhaps this little book will help the understanding of some of them.

A.R.I.

Budgetary Control—An Effective Tool for the Management of Small and Medium-Sized Enterprises. O.E.E.C. Project No. 172, compiled by Mr. T. Bak Jensen of Denmark. Pp. 65. (*Her Majesty's Stationery Office*: 5s. net.)

THIS REPORT SHOULD be read by the head of every growing industrial organisation. It is clearly based on a great deal of valuable practical experience. Its references to other works are the more valuable since they are to European and American publications of recent years, which are not all likely to be well known in this country.

The layout and printing of the report are attractive. It includes many diagrams, and is a model of concise reporting. Discussion has been kept to the minimum, and the points are made in a series of case studies which can be followed easily by the reader. These case studies and the accompanying diagrams illustrate budgetary control in the engineering industry.

The first and shortest of the four chapters, on "General Considerations," contains pertinent and very sound advice. Readers are reminded that facts in isolation can often be misleading and that factual data should be looked at in the logical framework provided by budgetary control. Cost accounting systems, even modern standard costs, must be examined critically for the tendency to provide expensive data which are only partly used.

The chapter on the "Control of Variable Costs" has a rather misleading title, since it includes the control of overheads and fixed expenses. An emphasis, unusual in British publications, has been put on the control of maintenance costs. Procedures are suggested for installing preventive maintenance and periodic machine checking, and for controlling modification costs and the storage of spare parts.

Each aspect of the short-term or one-year budget considered in chapter three is adequately covered, except perhaps the question of stock control. It is interesting to see non-recoverable expenses highlighted in the profit and loss budget. The financial budget is discussed under three headings: cash requirement, capital procurement and investment. Under the last heading the expectation of profit yield from a capital investment is mentioned, but only briefly.

The last chapter illustrates the necessity for a different approach to the long-term budget. Mr. Jensen expresses the opinion that it is desirable for a small firm to budget five to ten years ahead.

Finally, he brings out the scope and importance of budgetary control as the prerogative and responsibility of the head of the business and as a vital factor in the decentralisation of an expanding business. Altogether a very worthwhile report.

H.K.

The Principles of Company Law. By Robert R. Pennington. Pp. lxxix+661. (*Butterworth & Co. (Publishers) Ltd.*: 50s. net.)

THIS NEW BOOK, as stated by the author who is a Reader at the School of Law conducted by the Law Society, is intended primarily for those who are preparing for the solicitors' Final examination, but it is also designed for accountancy and secretarial students, as

well as practitioners. The author quite rightly expresses the view that company law is not a dry, complicated and static structure, but is a living and developing body of rules, and his treatment of the subject amply demonstrates this belief.

The exposition is careful and painstaking. The easy style of expression, and development from one related theme to another throughout the work, sustains the reader's interest, and one senses the author's own enthusiasm for the subject. The subject-matter is refreshingly free from large portions of mere extracts from the Companies Act, 1948; on the other hand, there is considerable and welcome discussion of important cases bearing on company law principles, in respect of which Mr. Pennington has obviously brought to bear scholarship and an incisiveness of mind which has not failed to show up difficulties in practice or shrunk from expressing a view where the law is either defective or obscure.

The book includes chapters on winding up, on reconstruction and amalgamation and on unit trusts. Although it is not stated to what date the law has been considered it is clear that no case of current importance has escaped accurate treatment. The index of cases and the general index have been carefully compiled and the whole work is presented in a most attractive layout and style.

It is not easy for a new book on such a well-worn subject as company law to break entry into the ranks of an already formidable array of well-known and established works on the subject, nor is it possible to cater for the differing needs of both student and practitioner without considerable versatility and acumen. Your reviewer's practical and teaching experience in the subject leads him to the conclusion that not only is this book all the author very modestly claims for it, but that it fully deserves and will find a secure and valued place not only among students but also among accountancy and legal practitioners.

R.D.P.

Wills, Probate and Administration. By B. S. Ker, M.A., Solicitor. Pp. xxiv + 294. (Sweet & Maxwell: £2 2s. net.)

THE OBJECT of this text, says the author, is to present the law of wills and administration in a short digestible form from the viewpoint of the practitioner's desk; the object has been excellently achieved.

The book ranges from matters pertaining to the validity of wills, and the

rights and duties of executors and administrators, through the complications of estate duty to the problems of distribution. Although on some of these matters, and in particular estate duty, the author skates somewhat lightly over the surface, he is at pains to point out that he has done so, while providing ample reference to statutes and decisions of the courts to facilitate further study by those concerned with the subject in more detail.

Most of the chapters conclude with "Practice Notes," which consist of reminders on the practical aspects of most importance to those whose business it is to draft wills and administer estates.

Manifestly, the text is mainly designed for solicitors and law students, but it will be a most valuable addition to the library of the practising accountant and to the accountancy student who is concerned with the rights and duties of executors and administrators. The language used is clear and simple, the index is workmanlike and the table of cases comprehensive. Indeed, this is a most praiseworthy and successful attempt to present the gist of a weighty and complicated subject in a sympathetic and readable manner.

Perhaps an accountant would have preferred more detail and worked examples on such topics as estate duty; nevertheless, as an accountant I have nothing but praise for this unpretentious but admirable work. V.R.A.

Books Received

"Taxation" Key to Income Tax and Surtax. 47th edition. Edited by Percy F. Hughes. Pp. 223. (Taxation Publishing Co. Ltd.: 10s. net.)

Electronics in Banking. Ernest Sykes Memorial Lectures, 1959. Pp. 71. (Institute of Bankers, 10 Lombard Street, London, E.C.3: 5s. net.)

The Struggle Against Inflation. Autumn Lectures, 1958. Pp. 76. (Institute of Bankers: 4s. net.)

Office Staff. Selection—Supervision—Training. By Elizabeth M. Pepperell. Pp. xii + 51. (Industrial Welfare Society, 48 Bryanston Square, London, W.1: 7s. 6d. net.)

Resource Allocation on an East Anglian Dairy Farm. A study in the application of linear programming. By C. S. Barnard (Cambridge University) and V. E. Smith (Michigan State University). Pp. 22. (Farm Economics Branch, School of Agriculture, Cambridge University: 2s. 6d. post free.)

Productivity Measurement in Great Britain. A Survey of recent work. By T. E. Easterfield. Pp. ii + 79. (Department of Scientific and Industrial Research, 5-11 Regent Street, London, S.W.1: No price stated.)

New Development in Training. Five Studies in the efficient communication of skills. Edited by Frank A. Heller. Pp. 80. (Polytechnic Management Association: 5s. net.)

The London Chapter of the Institute of Internal Auditors reports a membership of 123. During the past year the Education Committee organised a lecture course for members' assistants, and the Research Committee carried out a comprehensive survey of internal auditing in the United Kingdom. The officers of the London Chapter for 1959/60 are: President, Mr. G. W. Moyse, A.C.A.; First Vice-President, Mr. R. G. Nicholson, C.A.; Second Vice-President, Mr. R. E. Palmer, A.A.C.C.A.; Secretary, Mr. E. N. Judge, F.C.W.A., A.I.M.T.A.; Treasurer, Mr. S. A. Cropper, A.C.A.

Mr. Bradford Cadmus, the managing director of the Institute, who is visiting the British and Scandinavian chapters on a tour from the headquarters in the United States, reviewed the work of the Institute and discussed the extension of internal auditing into the operational field, in an after-dinner address to the London Chapter on September 10. He gave many examples of how an internal auditor by checking the control methods of operational departments (and without being an expert in their work) could produce improvements and financial savings.



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The Student's Columns

LOSS OF PROFITS INSURANCE

THE ORDINARY FIRE policy covers material loss or damage caused by fire, lightning, explosion of gas used for lighting or heating and boiler or economiser explosion. It does not cover any other consequential loss. The consequential loss is, however, insurable by a separate policy intended to provide for all the disorganisation in a business that invariably follows a serious fire or one of the other events mentioned above (for simplicity we shall henceforward refer only to a fire).

Such a policy will give cover against:

(a) Loss of net profit caused by the interruption of the business by the fire;

(b) Payment of standing charges after the interruption;

(c) Payment of wages to key employees whose services it is desired to retain;

(d) Wages paid in lieu of notice to employees whose employment would be suspended or terminated pending restoration of business;

(e) Payment of increased costs of working reasonably incurred in carrying on the business in temporary premises, getting work done elsewhere, buying goods to complete contracts or taking other similar measures to avoid loss of custom or goodwill.

Method of Insurance

The amount to be insured will represent the estimated net profit and all standing charges for the year following the inception of the insurance, based upon figures for the past financial year, suitably adjusted to provide for the trend of business. The indemnity period is the maximum period in respect of which compensation is payable and should be based upon the estimate of the period of interruption of business likely to result from serious damage.

The insurance period should not be confused with the indemnity period. They have this in common. The indemnity period starts during the insurance period which is current when the fire occurs. Thus, if a fire happens on the last day of an insurance period—even if the policy is not renewed—the indemnity period will commence at the date of the fire and the claim will cover loss of profits occurring before the indemnity period expires.

Claims Settlements

Turnover is usually the most satisfactory standard by which to measure loss, but other standards such as output or revenue may be adopted if more suitable—each policy is drawn to meet the requirements of the individual business. Take a business with a turnover policy and

having an annual turnover of £100,000, with net profit of £10,000 and standing charges of £20,000. A total stoppage of operations through fire would represent a loss at the rate of £30,000 per annum. The measure of the insured's loss is then 30 per cent. of the shortage in turnover, as ascertained month by month until the expiry of the indemnity period.

Suppose the fire had occurred on January 31, 1959:

Month	Monthly turnover		Shortage of turnover due to fire	Monthly loss: 30 per cent. of shortage
	Before Fire 1958	After Fire 1959		
	£	£	£	£
February ..	9,000	Nil	9,000	2,700
March ..	8,400	Nil	8,400	2,520
April ..	8,000	2,800	5,200	1,560
May ..	8,600	5,200	3,400	1,020
June ..	8,400	6,400	2,000	600
July ..	7,600	7,300	300	90

and so on until the end of the indemnity period.

This example refers to a business with a static turnover. If the tendency were upwards, the previous year's figures would show the trend and the monthly shortages of turnover after the fire would be higher. Therefore if the business is on the upgrade it would not be sufficient to insure on the basis of last year's earnings. A safety margin must be allowed in fixing the sum insured, and it is advisable for the insured's accountants to review the policy each year. The policy contains an adjustment clause to provide that in the settlement of a claim consideration shall be given not only to the experience of the business before the fire but also to the experience that could reasonably have been expected had the fire not occurred. The effect is to allow adjustments to be made to the "standard turnover" (that is, the turnover before the fire) in accordance with the trend of the business; thus if the trend is upwards a larger monthly loss would be revealed. In this way it is recognised that the adoption of the pre-fire figures as a rigid standard by which to measure loss would be unfair in some circumstances.

To accelerate a return to normal conditions after a fire, it may be necessary to incur additional working expenses. As the earliest possible resumption is to the advantage of both the policyholder and the insurer, the expenses will be defrayed under the loss settlement, provided that the amount payable, taken together with the net profit and standing charges, does not exceed in the aggregate the sum which would be payable if the



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business were entirely stopped by the fire during the whole indemnity period.

Possibly some of the standing charges included in the sum insured prove not to be incurred after the fire. In these circumstances they are not recoverable under the loss settlement. However, although such charges as rent and rates might cease after a total burn-out, they would in all probability continue after a partial loss. The insurance office or underwriter takes into consideration, when fixing the basis of rating, the effect of partial losses and the probability of savings in standing charges. The insured need not feel that he is paying an unnecessary premium for an expense which might not be incurred.

The Sum Insured

It is important to arrive at a full sum insured, because unless a full insurance is effected, "average" applies and the amount recoverable in the event of loss is reduced in proportion to the degree of under-insurance.

For example, in the example, the sum insured under the policy was £30,000. If, however, it had been only £15,000 (£5,000 net profit and £10,000 standing charges), the amounts payable in the right-hand column would all be reduced by a half. The necessity of keeping a close watch on the adequacy of the sums insured must again be emphasised: usually the accountant carries the responsibility.

Note particularly that a rebate of premium can be allowed each year if the certified results of the business show that there has been an over-insurance. It would seem, therefore, that it is better to over- rather than under-insure.

If the indemnity period is to be more than twelve months, the sum insured must be proportionately increased.

Net profit should be arrived at before charging any

taxes on profit but should not include such items as transfer fees and dividends received.

All the standing charges of the business should be insured. The following list gives an indication of such charges which may be deleted or added to, according to individual requirements:

Rent, rates, taxes (other than taxes on profits), interest on debentures, mortgages and loans, bank charges, directors' fees and remuneration, travelling expenses, travellers' salaries and commission (see note below), pensions, donations and subscriptions, auditors' fees, insurance premiums, advertising, lighting, heating and power, depreciation, repairs and renewals of buildings, plant, machinery, motor vehicles and general business equipment, hire purchase payments, sinking fund and capital redemption payments, salaries of permanent staff (see note below), wages (see note below), miscellaneous charges not exceeding in all 5 per cent. of the total of the specified standing charges.

The grand total of all these standing charges together with the net profit becomes the sum insured.

In view of the desirability of retaining after a fire the services of salaried staff and key workers it is advisable that the amount of salaries and wages of all permanent employees be insured as a standing charge. Wages of other employees may be insured for a suitable short term. The sum insured should include the appropriate amount of National Insurance contributions.

Extensions and Extra Perils

The policy may be extended to cover loss consequent upon damage, not only on the insured's own premises, but at premises other than the insured's own—for example, power stations, gas stations or suppliers of materials or components.

Loss consequent upon other perils, apart from those covered by the standard fire policy, may be included under the loss of profits policy, provided that the fire policy is extended also.

HOW ALLOWANCES ARE MADE—III

ALLOWANCES AND ANNUAL PAYMENTS

IT IS FUNDAMENTAL to remember that an individual is entitled to allowances only against his own income. What A has earned, or received as unearned income, and has to pay over to B is B's income and in general A must deduct tax from it at the standard rate and account in full for that tax to the Inland Revenue by paying tax on an equivalent amount of his income at the standard rate, or, if he has not enough income for that purpose, by paying over the tax so deducted on the difference as a separate item.

The same principle applies to a company and can most readily be seen as applied thereto.

Illustration

A company has the following income for 1959/60:

	£	£
(a) Business premises, Sch. A		500
(b) Case I, Sch. D, profits	3,500	
Less Capital allowances	320	
	<hr/>	3,180
(c) Investment income		800
(d) Case III, Sch. D, on bank interest		120
		<hr/>
		£4,600
		<hr/>

It pays in the year debenture interest totalling £2,000 gross. Its real income is, therefore, £4,600—£2,000=£2,600, but it has to pay tax by deduction at source on (c) above and by direct payment on (a), (b) and (d), that is, tax on £4,600. Of this, it recovers tax by deduction when paying the debenture interest, thus bearing tax only on its own income of £2,600.

The matter is complicated to a certain extent by the legal requirement that it is the statutory income that has to be compared with the annual charges. For example, if the above company was not carrying on a new business, the Case I assessment and possibly the Case III assessment would be based on the preceding year's profits, etc.

If the Case III assessment were, however, based on the actual income but the Case I assessment were on the preceding year basis and the actual profits of the business accounts ending in the year to April 5, 1960, were £420, which after deducting capital allowances (on an actual basis) leaves a net assessment of £100, the actual income of 1959/60 would be £1,520, which is not enough to cover the debenture interest. This does not matter, however, as the statutory income is £4,600.

In the next year, however, if the other items remained

constant, the statutory income would be £1,520. Tax would still be deductible, however, from the £2,000 debenture interest, of which only tax on £1,520 would be accounted for by normal tax payments or, in the case of investment income, by deduction at source. Tax on the balance of £480 would have to be paid over as a separate item.

The difference is that so long as an annual payment is made out of profits brought into charge, tax is payable on those profits without any deduction for the annual charge but the payer is entitled to recoup tax on the annual charge by deducting it from the payment to the payee (Section 169 of the Income Tax Act, 1952); whereas to the extent that the annual payment exceeds the statutory income, tax on the excess must still be deducted from the annual payment but must be paid over to the Inland Revenue (Section 170). So long as the annual payment would be a proper business expense if tax were not deductible at source (that is, it is wholly and exclusively paid away for the purposes of the trade) it can be carried forward as a loss. (Note that payments from which tax is deductible, except copyright royalties, are not allowed as deductions from profits.) *(To be concluded)*

Notices

For the purpose of forming new Chapters of the **Institute of Internal Auditors**, meetings will be held at the Metropole Hotel, King Street, Leeds, 1, at 7 p.m., on October 20, and at the Black Boy Hotel, Long Row, Nottingham, at 7 p.m., on October 21. All who are responsible in a managerial or supervisory capacity for internal auditing within their organisation are invited to attend. The meetings will be addressed by Mr. J. O. Davies, F.C.A., A.C.W.A., the European Regional Vice-President of the Institute and immediate past President of the London Chapter, and Mr. H. C. Booth, A.C.A., founder President of the Manchester Chapter. The Institute has a world-wide membership of over 4,000, including some 225 in the United Kingdom. There are already Chapters in London, Manchester, Glasgow, Birmingham and Newcastle-upon-Tyne.

British Olivetti announce a reduction in the price of their adding machine, the **Summa 15**, by £10 to £49 15s. An unusual feature is that the company openly states that the new price can be maintained only if a substantial increase in sales results; if it does not, the old price may be restored. The position is to be reviewed at the end of three months.

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Scottish industrialists will consider **Relationships in Industry—Some Changing Concepts of Management** at a conference at Glen-

eagles Hotel, Perthshire, on October 23 and 24. The conference is being organised jointly by the British Institute of Management and the Ministry of Labour.

A week-end conference was held by the **Institute of Municipal Treasurers and Accountants** on the theme "Capital Finance of Local and Public Authorities," at Caius College, Cambridge, from September 18 to 20. The conference was attended by senior officers concerned with finance in local government, the civil service and various public authorities. The proceedings were informal but a full record is to be published later.

A one-day **Conference on Office Work** is being held by the Central London Productivity Association on November 12 at the Federation of British Industries, 21 Tothill Street, S.W.1. The conference will spotlight particular aspects of office work—personnel; materials; filing, recording and other methods—in which the study and revision of existing practices can frequently result in lower costs. Tickets, at 15s. each to include morning coffee and afternoon tea, can be obtained from Mr. J. F. Daly, National Provincial Bank, Ltd., 61 Victoria Street, S.W.1.

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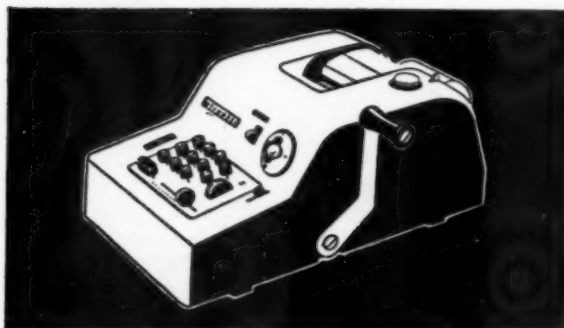


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Meeting of the Council

AT AN ORDINARY meeting of the Council held on Wednesday, September 2, 1959, at the Hall of the Institute, Moorgate Place, London, E.C.2, there were present: Mr. C. U. Peat, M.C., President, in the chair; Mr. C. Percy Barrowcliff, Mr. W. L. Barrows, Mr. H. A. Benson, C.B.E., Sir William Carrington, Mr. D. A. Clarke, Mr. W. G. Densem, Sir Harold Gillett, Mr. J. Godfrey, Mr. P. F. Granger, Mr. W. H. Lawson, C.B.E., Mr. H. L. Layton, Mr. J. H. Mann, Mr. R. P. Matthews, M.B.E., Mr. Bertram Nelson, C.B.E., Sir Thomas Robson, M.B.E., Mr. J. E. Talbot, Mr. E. Duncan Taylor, Mr. E. K. Wright, with the Secretary and Assistant Secretaries.

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- §COOPER, JAMES BARNSDALE; A.S.A.A., 1959; 28 St. Philips Avenue, Worcester Park, Surrey.
- COOPER, REGINALD CULMER, B.SC.(ECON.); A.C.A., 1959; 67 Oakwood Court, London, W.14.
- COPELAND, DENNIS, B.A.(ECON.); A.C.A., 1959; 36 Steade Road, Sheffield, 7.
- CORNWELL, ROGER FRANKLIN; A.C.A., 1959; 58 Drayton Gardens, Winchmore Hill, London, N.21.
- COSTELLO, PETER GAVIN; A.C.A., 1959; 82 Beechcroft Road, London, S.W.17.
- COURTIS, JOHN; A.C.A., 1959; Harvard Cottage, Swan Lane, Stock, Ingatestone, Essex.
- COUSINS, LESLIE; A.C.A., 1959; 107 Cleveland Street, London, W.1.
- COWAN, PETER JOHN; A.C.A., 1959; 44 Hide Road, Harrow, Middx.
- COWE, (MISS) MARY FORD; A.C.A., 1959; with Williams, Taylor & Co., 11 Peter Street, Manchester, 2.
- COX, ALAN GEORGE; A.C.A., 1959; 230 Norman Road, Warley, Smethwick, 41.
- COX, JOHN ADRIAN; A.C.A., 1959; 433 Sutton Road, Walsall.
- COX, PETER ROBERT; A.C.A., 1959; 104 Harlaxton Road, Grantham, Lincs.
- CRACKNELL, BERNARD JOHN; A.C.A., 1959; 62 Worth Road, Pound Hill, Crawley, Sussex.
- CRANFIELD, PETER GERALD; A.C.A., 1959; 27 Speer Road, Thames Ditton, Surrey.
- CRISP, MARTIN GERALD; A.C.A., 1959; 159 Hall Green Road, West Bromwich, Staffs.
- CRISPE, ROBERT NICHOLAS, M.A.; A.C.A., 1959; Great Martins, Shurlock Row, near Reading, Berks.
- CROSS, JOHN MICHAEL; A.C.A., 1959; 39 Chestnut Avenue, Priory Estate, Dudley, Worcs.
- CROSSEY, ROBERT ALLISON; A.C.A., 1959; 22 Norton Park View, Norton, Sheffield, 8.
- CROSSWAITE, GORDON LESLIE, B. COM.; A.C.A., 1959; 92 Northfield Lane, Horbury, near Wakefield, Yorks.
- CUTLAND, ROGER JOHN CHARLES; A.C.A., 1959; 2 Cranbourne Avenue, Norwood Green, Southall, Middx.
- CUTLER, RICHARD STEPHEN; A.C.A., 1959; 9 Woodlands Road, Surbiton, Surrey.
- DANDO, BRIAN HARRY; A.C.A., 1959; 18 Queens Acre, Cheam, Surrey.
- DANN, JOHN MORLEY; A.C.A., 1959; 9A De Freville Avenue, Cambridge.
- DAVIDSON, JOHN; A.C.A., 1959; 4 Tweed Row, Horncliffe, Berwick upon Tweed.
- DAVIES, BRIAN RICHARD; A.C.A., 1959; 49 Lowshoe Lane, Collier Row, Romford, Essex.
- DAVIES, DAVID AUSTIN; A.C.A., 1959; 26 Islwyn Street, Abercarn, Mon.
- DAVIES, GERALD MICHAEL TREVOR; A.C.A., 1959; 52 Thurlow Park Road, West Dulwich, London, S.E.21.
- DAVIES, JOHN MICHAEL; A.C.A., 1959; 8 Knarborough Avenue, Blackpool.
- DAVIS, ANDREW JOHN; A.C.A., 1959; 2 Stratford Crescent, Cringleford, Norwich.
- DAVIS, GEOFFREY FREDERICK; A.C.A., 1959; 181 Tamworth Lane, Mitcham, Surrey.
- DAVIS, MAXWELL EDMUND; A.C.A., 1959; 119 Victor Road, Sheldon, Solihull, Warwicks.
- DAWES, PETER; A.C.A., 1959; 40 Willoughby Road, Kingston upon Thames, Surrey.
- DAWSON, PETER EDWARD; A.C.A., 1959; 116 College Road, Perry Barr, Birmingham, 22B.
- DAY, DAVID OLIVER; A.C.A., 1959; 58A Besham Grove, Thornton Heath, Surrey.
- DELLAL, DAVID; A.C.A., 1959; 80 Brook Green, Hammersmith, London, W.6.
- DE MORGAN, ROBIN ARTHUR; A.C.A., 1959; 50 Pebworth Road, Harrow, Middx.
- DENT, ROBERT; A.C.A., 1959; 54 Grammar School Road, Brigg, Lincs.
- DEVAUX, FREDERICK NICHOLAS PAUL, B.SC.(ECON.); A.C.A., 1959; 53 Belsize Park, London, N.W.3.
- DICKEY, DAVID PATRICK ROBERT, B.A.; A.C.A., 1959; 131 Ty Mawt Road, Llandaff North, Cardiff.
- DICKIE, WILLIAM DOUGLAS; A.C.A., 1959; 54 First Avenue, Chelmsford, Essex.
- DICKINSON, DAVID; A.C.A., 1959; 10 Ertwood Street, Newton Heath, Manchester, 10.
- DICKINSON, GRAHAM WILSON, B.SC.(ECON.); A.C.A., 1959; 100 Bispham Road, Blackpool.
- DODSWORTH, IAN JAMES; A.C.A., 1959; 4 Warren Road, North Chingford, London, E.4.
- DOUGLAS, GEOFFREY LAVER; A.C.A., 1959; 8 Coniston Avenue, Fleetwood, Lancs.
- DOWNES, JOHN CHARLES; A.C.A., 1959; 499 Burnage Lane, Burnage, Manchester, 19.
- DREW, PATRICK KEITH; A.C.A., 1959; Southcroft, The Watten, Caversham, near Reading, Berks.
- DRON, HENRY; A.C.A., 1959; 17 Ersham Road, Canterbury.
- DUCK, DEREK EDWARD; A.C.A., 1959; 112 Highbury New Park, Highbury, London, N.5.
- DUFTY, MICHAEL; A.C.A., 1959; 32 Rotten Park Road, Edgbaston, Birmingham.
- DUPARC, ROBERT ANTHONY; A.C.A., 1959;



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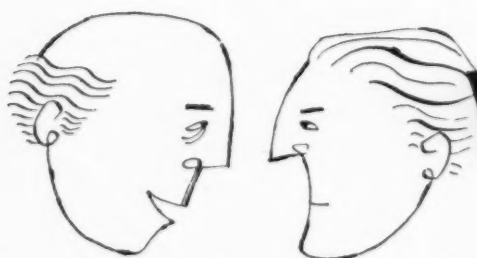
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- EASTWOOD, WALTER HUGH; A.C.A., 1959; "The Croft," Holmfild Avenue, Cleveleys, near Blackpool.
- EDWARDS, CHRISTOPHER HUGH CHARLTON; A.C.A., 1959; Walnut Tree House, Clent, near Stourbridge, Worcs.
- EDWARDS, GORDON WILLIAM FRANCIS; A.C.A., 1959; 341 Thornton Road, West Croydon, Surrey.
- ELLIS, DONALD; A.C.A., 1959; 1 Riversway, Off St. Walburgas Road, Blackpool.
- ELVY, ROBERT PAUL; A.C.A., 1959; 20 Shirehall Gardens, London, N.W.4.
- EMMETT, CLIVE; A.C.A., 1959; 19 Holly Street, Nelson, Lancs.
- EVANS, MALCOLM, B.A.; A.C.A., 1959; 13 Gwendolen Avenue, Putney, London, S.W.15.
- EVANS, ROBERT DOUGLAS; A.C.A., 1959; 41 Ringmer Road, Brighton, 6, Sussex.
- EVANS, STEPHEN NORTON PARRY, B.A.; A.C.A., 1959; 7 Church Street, Pontliff, Glam.
- EWART, DAVID JOHN; A.C.A., 1959; 14 Swan Court, Flood Street, London, S.W.3.
- FABB, ALAN CHARLES, B.Sc.(ECON.), A.C.A., 1959; 5 Beech Road, Tivdiale Hall Estate, near Dudley, Worcs.
- FAIERS, CHARLES PETER; A.C.A., 1959; 2 High Street, Little Wilbraham, Cambs.
- FAIRBURN, DONALD; A.C.A., 1959; "South View," Thurstaston Road, Irby, Wirral, Cheshire.
- FARQUHARSON, DONALD STUART; A.C.A., 1959; 12 Acacia Road, Leamington Spa, Warwick.
- FARRELL, MICHAEL; A.C.A., 1959; "Bridge-court," Lady Byron Lane, Knowle, Warwick.
- FEARNLEY, ALBERT ERIC; A.C.A., 1959; 113 Winwick Road, Newton le Willows, Lancs.
- FENWICK, MICHAEL JOHN, B.A.; A.C.A., 1959; "Oakridge," Grange Road, West Hartlepool, Co. Durham.
- FINCH, (MISS) SUSAN WENDY; A.C.A., 1959; 12 Littleton Crescent, Harrow, Middx.
- FINLAY, BASIL FLEMING GAY; A.C.A., 1959; 8 North Way, Kingsbury, London, N.W.9.
- FINNERTY, COLIN WILLIAM; A.C.A., 1959; 37 Eton Avenue, New Malden, Surrey.
- FINN-KELCEY, JOHN RICHARD ERNEST; A.C.A., 1959; Cenning, Kennington, Ashford, Kent.
- FLEURY, MICHAEL ANTONY; A.C.A., 1959; 87 Green Lane, Burnham, Bucks.
- FLINT, ERIC VICTOR; A.C.A., 1959; 15 Croft Brow, Garden Suburb, Oldham.
- FLINT, JOHN DUDLEY; A.C.A., 1959; 437 London Road, Leicester.
- FLYNN, FRANCIS ALBERT; A.C.A., 1959; 25 Turret Grove, Old Town, Clapham, London, S.W.4.
- FOTHERINGHAM, IAN WEST, B.A.; A.C.A., 1959; Broad Reach, Brudenell Road, Canford Cliffs, Dorset.
- FOWLER, IAN, B.A.; A.C.A., 1959; 44 Bassett Gardens, Osterley, Isleworth, Middx.
- FOX, RICHARD MURRAY, B.A.; A.C.A., 1959; Flat 12, 11 Embankment Gardens, London, S.W.3.
- FREEDA, (Mrs.) GLORIA; A.C.A., 1959; 28 Bell Lane, Hendon, London, N.W.4.
- FREEDMAN, DONALD; A.C.A., 1959; 23 Hillersdon Avenue, Edgware, Middx.
- FREEDMAN, JEROME DAVID; A.C.A., 1959; 4 Cedar Gardens, Withdean, Brighton, 6.
- FULFORD, MICHAEL JOHN; A.C.A., 1959; 26 Wakerley Road, Evington, Leicester.
- FULLER, ROBERT SAUNDERS; A.C.A., 1959; 16 Sandringham Road, Thornaby-on-Tees, Stockton-on-Tees.
- FULWELL, JOHN; A.C.A., 1959; 5 Bishops Mead, Boxmoor, Herts.
- FURNESS, NEVILLE ATKINSON; A.C.A., 1959; 10 King Edward Road, Newcastle upon Tyne, 6.
- GATES, CLIVE ROBERT; A.C.A., 1959; 14 Dicey Avenue, Cricklewood, London, N.W.2.
- GAUGHT, RONALD EDGAR; A.C.A., 1959; 43 Drake Road, Bishopstoke, Eastleigh, Hants.
- GENOCK, MAX PIERRE; A.C.A., 1959; 95 The Avenue, Wembley Park, Middx.
- GETGOOD, HENRY GRAHAM; A.C.A., 1959; Leadale, Davenham Avenue, Northwood, Middx.
- GHOSH, SATYA BRATA; A.C.A., 1959; 18 College Drive, Manchester, 16.
- GIBSON, ROBERT NEIL; A.C.A., 1959; Hillway, Woodgates Lane, North Ferriby, E. Yorks.
- GIDMAN, TREVOR CHRISTOPHER; A.C.A., 1959; Ridgeholme, Rockcliffe, Carlisle.
- GILBERT, RICHARD MICHAEL; A.S.A.A., 1959; 39 Hollybush Road, Kingston upon Thames, Surrey.
- GILBERT, ROBERT CHARLES, B.A.; A.C.A., 1959; 31 Park Road, Bury St. Edmunds, Suffolk.
- GILCHRIST, ALEC; A.C.A., 1959; 29 Parkbourn, Maghull, Liverpool.
- GILLARD, WYNDHAM; A.C.A., 1959; 34 Antrobus Road, Sutton Coldfield, Warwick.
- GILLESPIE, BRIAN JOHN, B.A.; A.C.A., 1959; 4 Park Drive, Melton Park, Gosforth, Newcastle upon Tyne, 3.
- GILLGRASS, MICHAEL JOHN; A.C.A., 1959; 22 Beechwood Grove, Wibsey, Bradford, 6.
- GODDARD, GEOFFREY; A.C.A., 1959; 46 Haynes Road, Tarring, Worthing, Sussex.
- GODDARD, MICHAEL RICHARD; A.C.A., 1959; with Benard & Co., 397A Hendon Way, Hendon, London, N.W.4.
- GOLD, (MISS) JOYCE ISABEL; A.C.A., 1959; 47 Northfield Road, Stamford Hill, London, N.16.
- GOLD, STUART MORRIS; A.C.A., 1959; 1 Peter Avenue, Willesden, London, N.W.10.
- GOLDSPINK, MICHAEL DAVID; A.C.A., 1959; 5 Wheeler Close, Boston, Lincs.
- GOODALL, ARTHUR ALAN; A.C.A., 1959; 2 Rhuddlan Road, Rhyl, North Wales.
- GOODAY, ERNEST GEORGE; A.C.A., 1959; 15 Ruvigny Mansions, The Embankment, London, S.W.15.
- GOODENOUGH, JOHN MATCHAM; A.C.A., 1959; 78 Shirley Road, Southampton.
- GOODHEW, KENNETH THOMAS ASHLEY; A.C.A., 1959; with Layton-Bennett, Billingham & Co., 23 Blomfield Street, London Wall, London, E.C.2.
- §GOODWIN, GEORGE WILLIAM ROY; A.S.A.A., 1959; 783 Wandsworth Road, London, S.W.8.
- GORDON, STUART NICHOLSON; A.C.A., 1959; 24 Westgate Road, Knighton, Leicester.
- GOTHARD, GUY EDWIN; A.C.A., 1959; 48 Goldington Avenue, Oakes, Huddersfield.
- GOTSELL, DONALD JAMES RICHARD; A.C.A., 1959; 2 Hillington Square, King's Lynn, Norfolk.
- GOULD, BRIAN PHILIP; A.C.A., 1959; 4 Princess May Road, London, N.16.
- GRAHAM, BRIAN SPENCER; A.C.A., 1959; 62 Lightfoot Drive, Haraby, Carlisle, Cumberland.
- GRANT, JAMES WILLIAM; A.C.A., 1959; 41 West Towers, Pinner, Middx.
- GRANT, MAURICE; A.C.A., 1959; 2 Park Gardens, Kingsbury, London, N.W.9.
- GRASS, DERRICK GEORGE; A.C.A., 1959; Cleveland Cottage, Kirkby-in-Cleveland, Middlesbrough.
- GRAVES, OLIVER WINTER; A.C.A., 1959; Hillcroft, Ardingly, near Haywards Heath, Sussex.
- GRAY, FRANK HENRY; A.C.A., 1959; 12 Mimms Hall Road, Potters Bar, Middx.
- GREEN, KENNETH PETER; A.C.A., 1959; 7 Rushleigh Avenue, Cheshunt, Herts.
- GREENHALGH, ALAN; A.C.A., 1959; with Joseph Crossley & Sons, 55 Cross Street, Manchester, 2.
- GREENHALGH, ANTHONY JOHN; A.C.A., 1959; 5 Lynne Walk, Esher, Surrey.
- GRESHAM, RICHARD FREESTON; A.C.A., 1959; Heather Mount, St. Leonards, Ringwood, Hants.
- GRIMES, JOHN EDWARD; A.C.A., 1959; 15 Wirral Gardens, Bebington, Wirral, Cheshire.
- GROVES, DENYS DAVID; A.C.A., 1959; The Lodge, Penylan Court, Ty Gwyn Road, Cardiff.
- GRUNWELL, PETER HIGSON; A.C.A., 1959; 2 Pine Grove, Worsley, near Manchester.
- HAINES, JOHN CYRIL GEORGE; A.C.A., 1959; "Gateways," Moat Lane, Taynton, Glos.
- HAINES, (MISS) JOYCE; A.C.A., 1959; 12 Rugby Terrace, Nursery Lane, Ovenden, Halifax, Yorks.
- HALL, JOHN EDWARD VINE; A.C.A., 1959; 23 Tower Road West, St. Leonards-on-Sea, Sussex.
- HALL, KENNETH JULIAN; A.C.A., 1959; 2 Catesby Road, Rugby, Warwick.
- HALL, ROBERT MICHAEL; A.C.A., 1959; 7 Bachelors Lane, Dee Banks, Chester.
- HANKS, BRIAN RICHARD; A.C.A., 1959; 52 Byron Avenue, Coulsdon, Surrey.
- HARBUT, DAVID JOHN; A.C.A., 1959; The Manse, Northfields Road, Nailsworth, Glos.
- HARDING, DAVID ANGRAVE; A.C.A., 1959; 19 The Avenue, Cheam, Surrey.
- HARDING, PAUL BERKELEY; A.C.A., 1959; 145 Dorridge Road, Dorridge, Solihull, Warwick.
- HARPER, JOHN ALFRED; A.C.A., 1959; 14 Boscobel Road, Walsall, Staffs.
- HARRIS, COLIN MICHAEL; A.C.A., 1959; 73 Bickenhall Mansions, Baker Street, London, W.1.
- HARVEY, DERECK ROBIN HARRY; A.C.A., 1959; 34 Duke Street, Botley, Oxford.
- HARVEY, PETER CHARLES OLIVER, B.A.; A.C.A., 1959; 2 Halsey Street, London, S.W.3.
- HARVEY, TERENCE STANLEY; A.C.A., 1959; 106 Elms Road, Harrow Weald, Middx.
- HATCH, BRIAN SEYMOUR; A.C.A., 1959; 45 Woodlands Avenue, Woodley, Reading, Berks.
- HAWKINS, ROGER KEITH; A.C.A., 1959; 50 Gleneagles Avenue, Leicester.
- HAWORTH, ROBERT; A.C.A., 1959; 29 Kingsway West, Penwortham, Preston.
- HEALEY, DAVID EDWARD, B.A.; A.C.A., 1959; The Croft, Sutton Courtenay, Abingdon, Berks.
- HEAP, GEOFFREY WILLIAM; A.C.A., 1959; 25 Whitlock Crescent, Bayview Village, Toronto 5, Ontario, Canada.
- HEATHCOTE, JACK RAYMOND; A.C.A., 1959; "Tin Tao," Gospel End Road, Gospel End, Sedgley, Staffs.
- HENSON, RAYMOND; A.C.A., 1959; 3 Atkinson Terrace, Newcastle upon Tyne, 4.
- HERBERT, GRAHAM HERBERT; A.C.A., 1959; Broomefield House, Blakedown, near Kidderminster, Worcs.
- HESMONDHALGH, JAMES; A.C.A., 1959; "Lintrathen," Moor Lane, Hutton, Preston.
- HETHERINGTON, IAN JAMES; A.C.A., 1959; 7 Beech Walk, London, N.W.7.
- HEWETT, PATRICK FRANCIS; A.C.A., 1959; 73 Arbury Road, Cambridge.
- HEWITT, TOM; A.C.A., 1959; with Wilson, Powell & Co., 48/50 Moseley Street, Manchester, 2.

- HEWSON, JAMES PETER; A.C.A., 1959; 20 Jesmond Road, Cottingham, E. Yorks.
- HEYWOOD, ALAN REGINALD; A.C.A., 1959; 22 Shetland Road, Southmead, Bristol.
- HICKABOTTOM, ROBERT MICHAEL; A.C.A., 1959; 36 Garfield Street, Gainsborough, Lincs.
- HILL, ALAN MICHAEL; A.C.A., 1959; 118B Lexham Gardens, Kensington, London, W.8.
- HILLEL, DAVID; A.C.A., 1959; 5 Parkway, Golders Green, London, N.W.11.
- HILLYER, BERNARD DAVID VERNON; A.C.A., 1959; 49 Fitzjohns Road, Lewes, Sussex.
- HINTON, MICHAEL HERBERT; A.C.A., 1959; with Sunderland, Mountstephen & Co., 15 Eastcheap, London, E.C.3.
- HODGKINSON, FRANCIS GELDEARD; A.C.A., 1959; 53 Symonds Road, Preston.
- HODGSON, CEDRIC JEROME; A.C.A., 1959; 14 Arnold Road, Gravesend, Kent.
- HODGSON, JOHN ANTHONY; A.C.A., 1959; 18 Moorland Grove, Bessacart, Doncaster.
- HODGSON, PETER LEE; A.C.A., 1959; "Camborne," Fiddler's Lane, Clayton-le-Woods, near Chorley, Lancs.
- HOLDEN, PETER COLIN; A.C.A., 1959; 76 Weigh-ton Road, Harrow Weald, Middx.
- HOLIDAY, FREDERICK MARK; A.C.A., 1959; c/o Holiday, Cutler, Bath & Co. Ltd., Denmark House, Collier Quay, Singapore.
- HOLIDAY, GILBERT RICHARD, B.Sc.(ECON.); A.C.A., 1959; c/o Rooper & Whately, 17 Lincoln's Inn Fields, London, W.C.2.
- HOLLOWAY, ANTHONY PAUL; A.C.A., 1959; Dunaway, Alton Road, Wilmslow, Cheshire.
- HORDERN, ANTHONY CHRISTOPHER SHUBRA; A.C.A., 1959; with C. Herbert Smith & Rus-sell, 40-42 Great Charles Street, Birming-ham, 3.
- HORWOOD, COLIN GEORGE; A.C.A., 1959; with A. C. Brading & Co., 107 High Street, Hungerford, Berks.
- HOY, COLIN WILLIAM; A.C.A., 1959; 43 Beres-ferd Gardens, Enfield, Middx.
- HUDSON, GRAHAM LESLIE; A.C.A., 1959; Little Copped Hall, Epping, Essex.
- HUGHES, PETER BRIAN; A.C.A., 1959; 46 Queens Drive, Heaton Mersey, Stockport, Cheshire.
- HUGHES, PETER WILLIAM; A.C.A., 1959; The Croft, Marford Hill, near Wrexham.
- HULLY, DESMOND HOOTON; A.C.A., 1959; 19 Kensington Avenue, Gosforth, Newcastle upon Tyne, 3.
- HUME, CHRISTOPHER DAVID; A.C.A., 1959; 31 Langford Road, Burley in Wharfedale, Yorks.
- HUMPHREYS, KENNETH WILFRED; A.C.A., 1959; 12 Byron Grove, Leigh, Lancs.
- HUMPHRIES, PETER WILLIAM; A.C.A., 1959; 23 Oakwood Close, Redhill, Surrey.
- HUTCHINSON, JAMES ALEXANDER; A.C.A., 1959; London House, Guilford Street, London, W.C.1.
- SHUQ, ABU TASHFIN MOHAMMED IFTEKHARVL; A.S.A.A., 1949; c/o J. Ahmed, London House, Guilford Street, London, W.C.1.
- IBBOTSON, PETER COLLINSON, B.A.; A.C.A., 1959; 19 Albany Road, Blackburn.
- INCE, NOEL JAMES; A.C.A., 1959; 57 Horne Street, Bury, Lancs.
- INDARAVIJAYA, SANGVIAN, B.A.; A.C.A., 1959; School of Commerce and Accountancy, University of Thammasat, Bangkok, Thailand.
- INGLETON, ANTHONY HAROLD; A.C.A., 1959; 55 Sutton Road, Mansfield, Notts.
- INGRAM, WILLIAM ROBERT; A.C.A., 1959; 10 Marline Avenue, Hollington, St. Leon-ards-on-Sea.
- IOANNIDES, ATHANASIOS IOANNOU; A.C.A., 1959; 12 Lytra Street, Constantia, Nicosia, Cyprus.
- IRWIN, HARRY ALEXANDER, M.A.; A.C.A., 1959; 63 Esher Road, Fairfield, Liverpool, 6.
- JACKSON, PETER BARRIE, B.COM; A.C.A., 1959; 1 Carrwood Avenue, Bramhall, Cheshire.
- JARRETT, KENNETH RICHARD; A.C.A., 1959; 85 Red Lion Lane, Shooters Hill, London, S.E.18.
- JARVIS, GEORGE BALDWIN; A.C.A., 1959; Padley, Raleigh Drive, Claygate, Surrey.
- JAY, PETER ARNOLD; A.C.A., 1959; 31 Bethune Road, London, N.16.
- JEFFROY, KEITH DOUGLAS; A.C.A., 1959; 44 Gratwicke Road, Worthing, Sussex.
- JELLEY, NORMAN GEORGE; A.C.A., 1959; 26 Rowley Fields Avenue, Leicester.
- JENKINS, BRIAN STUART; A.C.A., 1959; Elmfield, Christleton, near Chester.
- JENKINS, JOHN MICHAEL; A.C.A., 1959; 60 Silverdale Road, Newcastle, Staffs.
- JENKS, RICHARD JOHN PETER; A.C.A., 1959; 8 Connaught Place, London, W.2.
- JENNINGS, STANLEY WILFRED; A.C.A., 1959; 63 St. Gerards Road, Solihull, Warwicks.
- JINKS, ALAN MICHAEL; A.C.A., 1959; 127 Davenport Road, Leicester.
- JOHNS, DAVID REES; A.C.A., 1959; 10 Oak Crescent, Leeds, 15.
- JOHNSON, BRIAN KEYWORTH; A.C.A., 1959; Wood End, Langland, Swansea.
- JOHNSON, COLIN STUART; A.C.A., 1959; 2A Grenoble Gardens, Palmers Green, London, N.13.
- JOHNSON, DAVIS RICHARD; A.C.A., 1959; 38 Church Way, Sanderstead, Surrey.
- JOHNSON, DONALD; A.C.A., 1959; 14 Springfield Road, Bigrigg, Egremont, Cumberland.
- JOHNSON, MICHAEL HENRY TREVOR; A.C.A., 1959; 14 Priest Acre, Fyfield, Marlborough, Wilts.
- JOHNSON, RICHARD HENRY; A.C.A., 1959; with Larking & Larking, 9 Red Lion Street, Norwich.
- JOLLY, DAVID ANDERTON; A.C.A., 1959; 10 Broomhill Walk, Woodford Green, Essex.
- JONES, COLIN ALAN; A.C.A., 1959; 55 Barnfield Road West, Adswold, Stockport.
- JONES, JOHN THOMAS LEIGHTON, B.A.; A.C.A., 1959; 16 Edward Street, Alltwen, Pontar-dawe, Swansea.
- JONES, RICHARD ALAN; A.C.A., 1959; 50 Heath Avenue, Southlowe, Cellarhead, Stoke-on-Trent.
- JONES, STANLEY WILLIAM; A.C.A., 1959; 139 St. David's Crescent, Penarth, Glam.
- JOHNS, TERENCE OLIVER; A.S.A.A., 1959; P.O. Box R.W. 74, Ridgeway, Lusaka, Northern Rhodesia.
- JORDAN, PETER FREDERICK; A.C.A., 1959; 26 Ongar Road, London, S.W.6.
- JOSEPH, RAMON; A.C.A., 1959; 90 White Horse Lane, London, E.1.
- JOSLIN, RAYMOND EDWIN BIRD; A.C.A., 1959; 12 Stoke Hill, Exeter, Devon.
- JUDE, JOSEPH HAROLD; A.C.A., 1959; 61 Hadrian Road, Newcastle upon Tyne, 4.
- JUSU-SHERIFF, SALIA, B.COM.; A.C.A., 1959; c/o Sierra Leone Office, 29 Weymouth Street, London, W.1.
- KEELING, MALCOLM GRAHAM; A.C.A., 1959; 3 Clough Avenue, Woodheys, Sale, Cheshire.
- KEENE, RAYMOND; A.C.A., 1959; 21 Mildenhall Road, London, E.5.
- KEFFLER, PAUL JOHN LEON GEORGE; A.C.A., 1959; 11 Ambleside Road, Allerton, Liverpool, 18.
- KELLY, GEORGE BRYAN; A.C.A., 1959; with John A. Porter & Co., 9 Oxford Street, Manchester, 1.
- KENNEDY, CLIVE JOHN; A.C.A., 1959; 313 Ombersley Road, Worcester.
- KENWRIGHT, TERENCE; A.C.A., 1959; 6 Tyn-wald Place, Liverpool, 13.
- KERMODE, HAROLD WILLIAM, B.Sc.; A.C.A., 1959; 1A Manor Road, Christchurch, Hants.
- KING, PETER DOUGLAS; A.C.A., 1959; 22 Felbridge Close, East Grinstead, Sussex.
- KINGS, CLEMENT GEORGE; A.C.A., 1959; Clynton View, Station Lane, Lapworth, Solihull, Warwicks.
- KIRK, KENNETH STANLEY; A.C.A., 1959; 658A Mansfield Road, Sherwood, Nottingham.
- KIRKHAM, FRANK DAVID; A.C.A., 1959; 14 Sandygate Park Road, Sheffield, 10.
- KIRKMAN, DAVID JOHN, B.A.; A.C.A., 1959; with Kirkman, Manning & Kay, 103-109 Queen Street, Sheffield, 1.
- KIRKMAN, GEOFFREY; A.C.A., 1959; 18 Uplands Avenue, Radcliffe, Lancs.
- KNOTT, ROGER ALAN, B.A.(COM.); A.C.A., 1959; 562 Bolton Road, Bury, Lancs.
- KOWALSKI, JERZY ZENON, B.COM; A.C.A., 1959; 146 Sinclair Road, London, W.14.
- LADDS, COLIN SHARLAND; A.C.A., 1959; 8 Verulam Avenue, Purley, Surrey.
- LAING, DAVID; A.C.A., 1959; The Manor House, Gate Helmsley, York.
- LAKIN, RONALD JOHN; A.C.A., 1959; 47 Lyn-wood Drive, Collier Row, Romford, Essex.
- LAMB, JAMES WILLIAM; A.C.A., 1959; "Mallard Croft," Bywell Road, Cleadon Village, near Sunderland.
- LAMBERT, JOHN EWART; A.C.A., 1959; 7 Sedgley Grove, Handsworth Wood, Bir-mingham, 20.
- LAMBERT, MICHAEL ANTHONY; A.C.A., 1959; Chorley Cottage, Haddon Road, Chorley-wood, Herts.
- LAMUSSE, MARIE JOSEPH RAYMOND; A.C.A., 1959; with Kemp, Chatteris & Co., St. Swithin's House, Walbrook, London, E.C.4.
- LANDER, ROGER FRANCIS; A.C.A., 1959; 46 Lower Somercotes, Derbyshire.
- LAUD, (MISS) JANET RUTH; A.C.A., 1959; 142 Station Road, Wyde Green, Sutton Coldfield, Warwicks.
- LAYER, ALAN EDWARD; A.C.A., 1959; 44 Elmbridge Drive, Ruislip, Middx.
- LEE, BRIAN ERNEST; A.C.A., 1959; 203 Littleton Road, Lower Kersal, Salford, 7.
- LEES, ROBERT; A.C.A., 1959; 90 Burton Road, Melton Mowbray, Leics.
- LEIGH, JOHN RAYMOND; A.C.A., 1959; 24 Hillcrest Gardens, Finchley, London, N.3.
- LE NEVE FOSTER, PATRICK VIVIAN, B.A.; A.C.A., 1959; Farlands, Nightingales Lane, Chalfont St. Giles, Bucks.
- LEWIS, DAVID RODNEY; A.C.A., 1959; "Cintra," Otley Road, Bramhope, Leeds.
- LEWIS, EDWARD THOMAS; A.C.A., 1959; with Mellors, Basden & Co., 73 Basinghall Street, London, E.C.2.
- LEWIS, PAUL SCOTT; A.C.A., 1959; 23 Lougher Gardens, Porthcawl, Glamorgan.
- LEWIS, VIVIAN WHEATON, B.A.; A.C.A., 1959; Rhondda House, Hopkinstown, Pontypridd, Glam.
- LITTLE, EUGENE FREDERICK; A.C.A., 1959; 10 Sidmouth Road, Colyton, Devon.
- LIVINGSTON, IVOR HILARY; A.C.A., 1959; 1 Eller Close, North Lane, Leeds, 8.
- LODER, (MISS) JEAN ALICE; A.C.A., 1959; 118 Fortune Green Road, West Hampstead, London, N.W.6.
- LONNON-DAVIS, ANTHONY MICHAEL DAVID; A.C.A., 1959; 12 York House, Upper Montagu Street, London, W.1.
- LOOCHIN, IVOR BERNARD; A.C.A., 1959; 75 Grosvenor Road, Finchley, London, N.3.
- LOVEJOY, PAUL; A.C.A., 1959; 20 Wolves Lane, Palmers Green, London, N.13.
- LOVELL-MANSBRIDGE, BRIAN GEOFFREY;

- A.C.A., 1959; 148 Devonshire Road, Mill Hill, London, N.W.7.
- LOVIS, ERIC WALTER; A.C.A., 1959; 22 Glenfield Road, Banstead, Surrey.
- LOW, GEOFFREY HADDEN; A.C.A., 1959; with R. J. Brooks & Co., 7 Moorfields, Liverpool, 2.
- LOWE, ANTHONY DESMOND; A.C.A., 1959; 62 Ashburton Road, Addiscombe, Croydon, Surrey.
- LOWTHIAN, JOSEPH EDWARD; A.C.A., 1959; Post Office, Pooley Bridge, Penrith, Cumberland.
- LUMB, CHARLES DAVID; A.C.A., 1959; 315 Soothill Lane, Batley, Yorks.
- LUMLEY, DONALD ARTHUR; A.C.A., 1959; 70 Westbourne Road, Linthorpe, Middlesbrough.
- LUNT, MICHAEL JOHN WINSTANLEY, M.A.; A.C.A., 1959; 19 The Little Boltons, London, S.W.10.
- LUNT, PETER COWLEY WINSTANLEY; A.C.A., 1959; "Little Mead," Thurlaston, near Rugby.
- MACKENZIE, JOHN DUNCAN; A.C.A., 1959; 15 Manor Road, Cheam, Surrey.
- MCCARTHY, BRIAN JAMES; A.C.A., 1959; 4 Martyn Court, Spur Road, Edgware, Middx.
- MCCULLAGH, JOHN COLTMAN; A.C.A., 1959; Ballintoy, Rockfield Road, Oxted, Surrey.
- MCGIBBON, LEWIS; A.C.A., 1959; 7 Milton Street, Northampton.
- MCMANUS, MICHAEL ANTHONY; A.C.A., 1959; 42 Knowsley Road, St. Helens, Lancs.
- MCMAY, BARRIE; A.C.A., 1959; 8 Rosslyn Road, Manchester, 16.
- MCMISH, IVOR; A.C.A., 1959; "Hartington," Forest Lane, Papplewick, Notts.
- MADGE, PETER JOHN; A.C.A., 1959; 15 Haydon Park Road, Wimbledon, London, S.W.19.
- MAJOR, RONALD GEORGE; A.C.A., 1959; 63 Austin Street, Bulwell, Nottingham.
- MALYON, JOHN STUART; A.C.A., 1959; 142 Knightwood Crescent, New Malden, Surrey.
- MANKIN, ROBERT MICHAEL; A.C.A., 1959; 58 Eversleigh Road, Coundon, Coventry.
- MARKS, MILTON MAURICE; A.C.A., 1959; 124 Evering Road, London, N.16.
- MARSHALL, THOMAS WILLIAM; A.C.A., 1959; 64 Taymount Grange, Taymount Rise, Forest Hill, London, S.E.23.
- MARSTON, BRIAN; A.C.A., 1959; 31 Hopefield Avenue, Frecheville, Sheffield, 12.
- MARTIN, KEITH ANDREW GRIERSON; A.C.A., 1959; 71 Manor Road South, Hinchley Wood, Esher, Surrey.
- MARTIN, PETER REGINALD; A.C.A., 1959; Melbourn House, 24 Gunnersbury Avenue, Ealing, London, W.5.
- MARTINS, JACOB STANISLAUS; A.C.A., 1959; 11 Hamilton Close, Cockfosters, Herts.
- MASCARENHAS, CAHEN KENNETH; A.C.A., 1959; 1A Redbridge Lane West, Wanstead, London, E.11.
- MASTERSON, PETER THOMAS; A.C.A., 1959; 19 Hall Drive, Alkrington, Middleton, Manchester.
- MATHER, JAMES SELVANATHAN, B.SC.(ECON.); A.C.A., 1959; c/o Central Bank of Ceylon, P.O. Box 590, Colombo 1, Ceylon.
- MATTHEWS, DAVID EDWARD; A.C.A., 1959; 4 Brecon Road, Newport, Mon.
- MAULER, HAROLD ERNEST WILLIAM; A.C.A., 1959; "Crown Inn," Inchbrook, near Stroud, Glos.
- MAWSON, HENRY JAMES; A.C.A., 1959; 3 Danescourt Road, West Derby, Liverpool, 12.
- MAYFIELD, ANTONY MILES WESTLAKE; A.C.A., 1959; West Hill Cottage, Woodfield Lane, Hesse, Yorks.
- MENDELSSOHN, RONALD GUY; A.C.A., 1959; 9 Woodbourne Road, Edgbaston, Birmingham, 15.
- MERCER, MICHAEL JOHN; A.C.A., 1959; "Craig Dhu," Tewin, Welwyn, Herts.
- MEREDITH, KEITH THOMAS; A.C.A., 1959; 25 Ladysmith Road, Gloucester.
- MIAN, MUHAMMAD KHALIL; A.C.A., 1959; 56 Erskine Hill, London, N.W.11.
- MILLER, RAYMOND ASHTON; A.C.A., 1959; 13 Fairfield Road, Croydon, Surrey.
- MILLIGAN, DAVID QUOYS; A.C.A., 1959; 25 Westfield Way, Ruislip, Middx.
- MILSOM, ANTHONY RICHARD; A.C.A., 1959; 99 Winchester Avenue, Leicester.
- MITCHELL, BRIAN HAROLD; A.C.A., 1959; 14 Vicars Hill, Ladywell, London, S.E.13.
- MITCHELL, JOHN EDWARD; A.C.A., 1959; Flat 8, 9 Oaklands Road, Bromley, Kent.
- MOOR, MICHAEL FREDERICK; A.C.A., 1959; 68 Crowlands Avenue, London Road, Romford, Essex.
- MOORE, RAYMOND; A.C.A., 1959; 20 Croft Road, Cosby, near Leicester.
- MOPPETT, JOHN STANLEY; A.C.A., 1959; 9 Bridge Road, East Molesey, Surrey.
- MORPHEW, JOHN BERNARD; A.C.A., 1959; Flat 6, Stafford House, Churchfields, Broxbourne, Herts.
- MORRIS, BRIAN; A.C.A., 1959; 59 Brent Street, Hendon, London, N.W.4.
- MORRIS, JOHN RISK; A.C.A., 1959; Broomhill, Hayling Island, Hants.
- MORRIS-JONES, DAVID TREVOR; A.C.A., 1959; Brook House, Cann Lane, Appleton, Cheshire.
- §MORTIMER, DENNIS CHARLES; A.S.A.A., 1959; 31 Castle Drive, Berwick-upon-Tweed, Northumberland.
- MOUNCEY, KEITH; A.C.A., 1959; 11 Elm Avenue, Goole, Yorks.
- MOUNT, RAYMOND; A.C.A., 1959; 6 Firbank Road, Ridge Estate, Lancaster, Lancs.
- MULVIHILL, PETER; A.C.A., 1959; 118 Segars Lane, Ainsdale, Southport, Lancs.
- NELSON, FRANK THORNTON; A.C.A., 1959; 53 Ainderby Road, Romanby, Northallerton, Yorks.
- NEWMAN, HAROLD MAURICE; A.C.A., 1959; 109 Wolmer Gardens, Edgware, Middx.
- NEWTON, JOHN ALAN; A.C.A., 1959; c/o H. J. Newton, 139A High Street, Epsom, Surrey.
- NG, WING, KEUNG, B.SC.; A.C.A., 1959; with Brown, Phillips & Stewart, Hong Kong Bank Chambers, P.O. Box 30, Ipoh, Malaya.
- NICHOLLS-PRATT, RONALD EDWARD; A.C.A., 1959; 44 Long Lane, Hillingdon, Middx.
- NICHOLS, BRIAN EDWARD; A.C.A., 1959; 33 Blackhorse Lane, Stoneycroft, Liverpool, 13.
- NICHOLSON, PETER CLIVE; A.C.A., 1959; 71 Wilson Street, Anlaby, near Hull.
- NICKELL, PAUL HILARY; A.C.A., 1959; 16 Elm-croft Crescent, North Harrow, Middx.
- §NORMAN, ARTHUR CLIFFORD; A.S.A.A., 1959; 38 Fairbank Crescent, Sherwood, Nottingham.
- NORMAN, PETER JOHN; A.C.A., 1959; 28 Herschell Street, Leicester.
- NOVY, VACLAV JAN, B.SC.(ECON.); A.C.A., 1959; 195 Blenheim Street, Hull, Yorks.
- O'BRIEN, DOUGLAS GRAHAM; A.C.A., 1959; 11 Frome Terrace, Bath Road, Stroud, Glos.
- OVEREND, JOHN; A.C.A., 1959; 20 Whitfield Street, Higher Trannmere, Birkenhead.
- OWEN, COLIN ANTHONY, B.A.; A.C.A., 1959; 7 Brockley Walk, Bedminster Down, Bristol, 3.
- OWENS, JOHN ROBERT; A.C.A., 1959; 8 Brookfield Avenue, Crosby, Liverpool, 23.
- OXLEY, ROLAND FRANCIS; A.C.A., 1959; 6A Garlinge Road, Southborough, Tunbridge Wells, Kent.
- PAINTER, RICHARD ABBOTT, O.B.E.; A.C.A., 1959; Primrose Cottage, Lee Mount, Halifax.
- PAKSHONG, MICHAEL, B.A.; A.C.A., 1959; 38 Bay Terrace, Durban, Natal, S. Africa.
- PANTON, ANTHONY RUSSELL; A.C.A., 1959; 369 London Road, Leicester.
- PARDOE, JOHN RICHARDSON; A.C.A., 1959; 69 Cot Lane, Wordsley, Stourbridge.
- PARKINSON, KENNETH; A.C.A., 1959; 6A Linden Crescent, Darwen, Lancs.
- PARRISH, JAMES; A.C.A., 1959; 8 Turner Place, Great Horton, Bradford, Yorks.
- PARTRIDGE, WILLIAM FRANCIS; A.C.A., 1959; 6 Clayworth Road, Brunton Park, Newcastle upon Tyne, 3.
- PARVIN, DONALD; A.C.A., 1959; 19 Surrenden Crescent, Brighton, 6.
- PATT, ALEXANDER LAURENCE; A.C.A., 1959; with C. Neville Russell & Co., Poultry Chambers, 11 Poultry, London, E.C.2.
- PEARCE, ALBERT HENRY; A.C.A., 1959; 3 Furzedown Terrace, The Downs, West Looe, Cornwall.
- PEARSON, PETER DAVID; A.C.A., 1959; with Crew, Turnbull & Co., 4 Dove Court, Old Jewry, London, E.C.2.
- PELLING, MELVIN KEITH; A.C.A., 1959; 194A Queenstown Road, South Lambeth, London, S.W.8.
- PENTIN, DAVID JOHN; A.C.A., 1959; Mayfield, Hackington Close, Canterbury.
- PENWARDEN, DAVID REES; A.C.A., 1959; Golf View, Sparepenny Lane, Eynsford, Kent.
- PERKINS, JOHN NEWITT; A.C.A., 1959; 6 Greenfield Road, Northampton.
- PETERS, IAN DONALD; A.C.A., 1959; 39 New Hall Lane, Bolton, Lancs.
- PHILLIPS, JOHN WILSON, B.A.; A.C.A., 1959; 22 Church Road, Whitchurch, Glamorgan.
- PHILLIPS, THOMAS MORGAN, B.SC.(ECON.); A.C.A., 1959; 1 Jubilee Road, Six Bells, Abertillery, Mon.
- PHILLIPSON, LAWRENCE STANLEY; A.C.A., 1959; "Conifers," Rockfield Road, Oxted, Surrey.
- PHIPPS, GRAHAM MILES; A.C.A., 1959; "Lyndhurst," Llantrisant Road, Llandaff, Cardiff.
- PIERCE, BARRY JOHN; A.C.A., 1959; 58 Dyas Road, Great Barr, Birmingham, 22A.
- PILCHER, ANTHONY JULIAN; A.C.A., 1959; "Kinburn," Rocky Lane, Heswall, Cheshire.
- PLATT, GEOFFREY BRIAN; A.C.A., 1959; 13 Talbot Avenue, Roundhay, Leeds, 8.
- PLATT, RONALD; A.C.A., 1959; 17 Grosvenor Road, Birkdale, Southport.
- PORTER, COLIN ERNEST; A.C.A., 1959; "Ashford," Llewelyn Avenue, Neath, Glamorgan.
- PORTMAN, FRANK; A.C.A., 1959; 120 Cumberland Street, Latchford, Warrington, Lancs.
- POWELL, HAYDN MOZART; A.C.A., 1959; with Peat, Marwick, Mitchell & Co., Pearl Insurance House, The Kingsway, Swansea.
- POWER, JAMES FRANCIS, B.A.; A.C.A., 1959; 16 Laburnum Road, Epsom, Surrey.
- POWRIE, DAVID; A.C.A., 1959; 62 Marlborough Road, Ashford, Middlesex.
- PRESCOTT, ALEXANDER JOHN; A.C.A., 1959; "Briandene," Hugh Barn Lane, New Longton, Preston.
- PRICE, MICHAEL WALWYN; A.C.A., 1959; Bonnington, Beckett Road, Worcester.
- PRICE, THOMAS ALBERT; A.C.A., 1959; 78 Jubilee Road, Waterloooville, Hants.
- PULLAN, JOHN MARTIN; A.C.A., 1959; 26 Neville Court, St. John's Wood, London, N.W.8.
- QUEST, ANTHONY MAYER; A.C.A., 1959; 77 Mexborough Avenue, Leeds, 7.

- QUINNELL, TIMON DAVID DIXSON; A.C.A., 1959; St. Margarets, Beacon Hill, Purfleet, Essex.
- RACKETT, DESMOND EDWARD; A.C.A., 1959; 21 The Hermitage, Richmond, Surrey.
- RALPH, GORDON WYNNDHAM; A.C.A., 1959; 43 Linden Close, New Haw, Weybridge, Surrey.
- RANDLES, DAVID HAROLD; A.C.A., 1959; 7 Albert Street, Hightown, Wrexham, N. Wales.
- RANN, JAMES; A.C.A., 1959; 47 Shide Road, Newport, Isle of Wight.
- RAY, GRAHAM HOWARD, B.COM.; A.C.A., 1959; 37 Essex Avenue, Kingswinford, Brierley Hill, Staffs.
- READ, ROBERT JOHN LYTGOE; A.C.A., 1959; Hawthorn, Longfield Avenue, New Barn, Longfield, Kent.
- REDMOND, GEOFFREY JOHN; A.C.A., 1959; 12 Cecil Avenue, Sale, Cheshire.
- RHODES, ANTHONY JOSEPH MORGAN; A.C.A., 1959; Robin Hill, Billing Drive, Rawdon, near Leeds.
- RICKARDS, ANTHONY PETER; A.C.A., 1959; 14 Hightrees House, Nightingale Lane, London, S.W.12.
- RIGBY, BRIAN KEITH, B.A.(COM.); A.C.A., 1959; 70 Hallfields Road, Orford, Warrington.
- ROBERTS, BRIAN JOHN; A.C.A., 1959; 37 Middle Park Road, Selly Oak, Birmingham, 29.
- ROBERTS, KEITH NICHOLSON; A.C.A., 1959; with Warmesley, Henshall & Co., 29 Eastgate Row North, Chester.
- ROBERTS, STEVEN HARRISON, B.A.(ECON.); A.C.A., 1959; Flat 1, 168 Willesden Lane, London, N.W.6.
- ROBINSON, DAVID FOSTER, B.A.(COM.); A.C.A., 1959; Hurstfold, Chinthurst Lane, Shalford, Guildford, Surrey.
- ROBSON, ALAN GEORGE; A.C.A., 1959; 198 Trundley's Road, Deptford, London, S.E.8.
- ROGAN, PATRICK; A.C.A., 1959; 9 Porlock Avenue, Harrow, Middx.
- ROGERS, JOHN MURRAY; A.C.A., 1959; 32 Fallowfield Avenue, Hall Green, Birmingham, 28.
- ROSCOE, JACK; A.C.A., 1959; 75 Tudor Street, Oldham, Lancs.
- ROSE, JOHN DAVID LEWIS; A.C.A., 1959; 8 Louvian Road, Derby.
- ROSE, KEITH MARTIN; A.C.A., 1959; 156 Sandon Road, Stafford.
- ROUTLEDGE, ERIC; A.C.A., 1959; 1 Belle Vue, Medomsley Edge, Consett, Co. Durham.
- ROUTLEDGE, HOWARD; A.C.A., 1959; 70 Burleigh Street, Whitworth Park, Manchester, 15.
- ROWE, ANDREW SUTHERLAND; A.C.A., 1959; 13 Hillside Avenue, Bromley Cross, Bolton.
- RUBNER, PETER ERNEST; A.C.A., 1959; 25C Arkwright Road, Hampstead, London, N.W.3.
- RUMINS, JOHN SANDFORD, B.A.; A.C.A., 1959; 293 London Road, Isleworth, Middx.
- RUSSELL, MICHAEL WILFORD; A.C.A., 1959; with Andw. W. Barr & Co., 9 Clarges Street, London, W.1.
- RUSSELL, PATRICK JOHN; A.C.A., 1959; Ulster House, Green Lane, Northwood, Middx.
- RUTTER, PAUL EDWARD; A.C.A., 1959; 133A Fog Lane, Didsbury, Manchester, 20.
- RYAN, TERENCE DUDLEY, B.A.(ECON.); A.C.A., 1959; 128 Church Hill Road, East Barnet, Herts.
- RYLEY, CLIVE BERNARD; A.C.A., 1959; 56 Gillhurst Road, Harborne, Birmingham, 17.
- SADLER, EDWARD VICTOR; A.C.A., 1959; 19 Innage Road, Northfield, Birmingham, 31.
- SALES, JOHN ARTHUR; A.C.A., 1959; 104 Springfield Avenue, Merton Park, London, S.W.20.
- SANDERS, STUART FRANCIS; A.C.A., 1959; 8 Garrison Court, Hollow Lane, Hitchin, Herts.
- SANDLAND, JOHN; A.C.A., 1959; 26 Regent Road, Edgerton, Huddersfield, Yorks.
- SAUNDERS, JOHN DAVID, B.A.; A.C.A., 1959; Whiteholme, Meols Drive, Hoylake, Cheshire.
- SAWERS, ROBERT KEITH; A.C.A., 1959; Pound Corner Cottage, Haslemere, Surrey.
- SAYER, CHARLES EDWARD VIVIAN; A.C.A., 1959; 4 Worcester Gardens, Sutton, Surrey.
- SCHRIEBER, STANLEY; A.C.A., 1959; 19 Westminster Drive, Palmers Green, London, N.13.
- SCOTT, ALAN LESLIE; A.C.A., 1959; 10 Hillside Grove, Mill Hill, London, N.W.7.
- SCOTT, RALPH SCOLICK; A.C.A., 1959; 672 Beverley High Road, Hull.
- SCOTT, WALTER MICHAEL, B.A.; A.C.A., 1959; 363 Filton Avenue, Horfield, Bristol, 7.
- SCOTTIS, GABRIEL GEORGE; A.C.A., 1959; 1 Kensington Gardens Square, Bayswater, London, W.2.
- SCOURFIELD, BRYN JAMES, B.A.; A.C.A., 1959; 26 Bridgewater Road, St. Mellons Rise, Llanrumney, Cardiff.
- SCRAFTON, DEREK; A.C.A., 1959; "Paderova," Arkwright Road, Sanderstead, Surrey.
- SCRIVEN, JOHN GEOFFREY; A.C.A., 1959; with Davie Parsons & Co., 6 Bishopsgate, London, E.C.2.
- SEARS, ROY STANLEY, B.COM.; A.C.A., 1959; 30 The Avenue, Surbiton, Surrey.
- SEAWARD, ALAN REX; A.C.A., 1959; 143 Norbury Crescent, Norbury, London, S.W.16.
- SELLWOOD, DAVID JOHN; A.C.A., 1959; 24 The Grange, Shirley, Croydon, Surrey.
- SEYMOUR, GILBERT BEDFORD, B.SC.; A.C.A., 1959; 31 Chigwell Park Drive, Chigwell, Essex.
- SHANKARDASS, YOGINDER KUMAR; A.C.A., 1959; 85 Parliament Hill Mansions, Lissenden Gardens, London, N.W.5.
- SHARP, EDWARD JAMES KINGSLEY; A.C.A., 1959; 245 Hollinsend Road, Sheffield, 12.
- SHAW, ANTHONY VAUSE; A.C.A., 1959; 54 Abingdon Road, Bramhall Lane, Bramhall, Cheshire.
- SHAW, VEE FONG, B.SC.; A.C.A., 1959; 2 Claremont Court, Queensway, London, W.2.
- SHEARS, FREDERICK CHARLES PHIPHARD; A.C.A., 1959; 8 Kew Bridge Court, Chiswick, London, W.4.
- SHEASBY, JOHN MICHAEL; A.C.A., 1959; 23 College Avenue, Maidenhead, Berks.
- SHELLEY, ANDREW COLIN; A.C.A., 1959; 10 Old Court Road, Springfield, Chelmsford, Essex.
- SHENOY, JOHN KUMAR, B.A.; A.C.A., 1959; Langorf Hotel, 20 Froggnal, Hampstead, London, N.W.3.
- SIBLEY, JOHN HARRY; A.C.A., 1959; "Woodrow," Edgehill Road, Walton-St.-Mary, Clevedon, Somerset.
- SIMMONS, MALCOLM; A.C.A., 1959; 2 Ryon Hill, Warwick Road, Stratford-on-Avon.
- SIMPSON, MAURICE CLIFFORD; A.C.A., 1959; 4 Ferrestone Road, Wellingborough.
- SLADER, KENNETH WILLIAM; A.C.A., 1959; 12 Alexandra Terrace, South Molton, N. Devon.
- SLATER, NORMAN HIGSON; A.C.A., 1959; 209 Bacup Road, Cloughfold, Rossendale.
- SLY, JOHN RICHARD; A.C.A., 1959; Flat D, Fairlawn, Fairmile Lane, Cobham, Surrey.
- SMART, PHILIP MARTYN; A.C.A., 1959; 122 Gnoll Park Road, Neath, Glam.
- SMITH, ALAN; A.C.A., 1959; 93 Upper Road, Kennington, Oxford.
- SMITH, ARTHUR RUSSELL; A.C.A., 1959; 286 Saddleshworth Road, Greetland, near Halifax, Yorks.
- SMITH, BARRIE RICHARD; A.C.A., 1959; 13 Thornton Grove, Armley, Leeds, 12.
- SMITH, BRIAN ERIC; A.C.A., 1959; 32F Weighton Road, Anerley, London, S.E.20.
- SMITH, DEREK ARTHUR; A.C.A., 1959; 19 Manor Road, Swinton, near Manchester.
- SMITH, STEVEN, B.COM.; A.C.A., 1959; 71 Green Lane, Wyke, Bradford.
- SMITH, WILLIAM JOHN AKEROYD; A.C.A., 1959; Brackenshill, Gledhow Lane, Leeds 8.
- SMYTH, GERARD EVELYN RAYMOND; A.C.A., 1959; 46 Princes Square, Bayswater, London, W.2.
- SPENCER, JOHN HERBERT; A.C.A., 1959; 99 Church Road, Litherland, Liverpool, 21.
- SPIER, ROY EDWARD; A.C.A., 1959; Highleys, Dalby Avenue, Bushby, Leics.
- SPITTLE, HARVEY; A.C.A., 1959; 3 Lilac Grove, Redcar, Yorks.
- SPOTTISWOOD, JAMES ARTHUR; A.C.A., 1959; 37 Ashurst Drive, Blackbrook, St. Helens, Lancs.
- SQUIRES, PETER JOHN; A.C.A., 1959; 75 Long Lane, Finchley, London, N.3.
- SRIVICHIT, THIENCHAI; A.C.A., 1959; 271 New Road, Bangkok, Thailand.
- STACEY, MICHAEL JOHN; A.C.A., 1959; Lupton's Tower, Eton College, Windsor, Berks.
- STACEY, TERENCE JOHN; A.C.A., 1959; 61 Peppard Road, Caversham, Reading.
- STAGG, DENIS; A.C.A., 1959; 24 Nairn Street, Crookes, Sheffield, 10.
- STEPHEN, IAN GEORGE; A.C.A., 1959; 15 Wolveleigh Terrace, Gosforth, Newcastle upon Tyne, 3.
- STEWART, JAMES ROY; A.C.A., 1959; 425 Bowes Road, New Southgate, London, N.11.
- STILES, JOHN STUART; A.C.A., 1959; 14 Spring Court Road, Enfield, Middx.
- STONE, JOHN GORDON; A.C.A., 1959; 23 Southcroft Avenue, West Wickham, Kent.
- STONE, PETER DENIS; A.C.A., 1959; 149 Stroven Road, Winton, Bournemouth.
- STOPFORD SACKVILLE, LIONEL GEOFFREY; A.C.A., 1959; Drayton House, Lowick, Kettering, Northants.
- STRIBLING, DAVID MICHAEL; A.C.A., 1959; 29 Church Street, Modbury, near Ivybridge, South Devon.
- STUBBINS, THOMAS; A.C.A., 1959; 21 Lonsdale Street, Anlaby Road, Hull.
- STYLES, DAVID EDWARD JOHN; A.C.A., 1959; 56 Rogers Lane, Stoke Poges, Bucks.
- SUNLEY, JOHN EDWARD; A.C.A., 1959; 43 Ash Grove, Bush Hill Park, Enfield, Middx.
- SWALES, DAVID JOHN; A.C.A., 1959; with Howlett, Jones, Higgins & Co., 4 Stone Buildings, Lincoln's Inn, London, W.C.2.
- TANNER, EDWARD ISMAR; A.C.A., 1959; 2 The Croft, Hoop Lane, London, N.W.11.
- TAPPARO, DENIS GIOVANNI; A.C.A., 1959; 26 Weymoor Road, Harborne, Birmingham, 17.
- TAYLOR, BRIAN; A.C.A., 1959; 10 Shortland Crescent, Burnage, Manchester, 19.
- TAYLOR, PAUL DUNCAN; A.C.A., 1959; Elmwood House, Upper Batley, Batley, Yorks.
- TEALE, CLIFFORD NORMAN; A.C.A., 1959; 95 Stafford Road, Southport, Lancs.
- THOMAS, BRIAN; A.C.A., 1959; 39 Lesbury Road, Heaton, Newcastle upon Tyne, 6.
- THOMAS, DESMOND JOHN; A.C.A., 1959; 125 Robin Hood Way, Kingston Vale, London, S.W.15.
- THOMAS, LAWRENCE BARRY; A.C.A., 1959; "Tregwynt," St. Nicholas, Cardiff.

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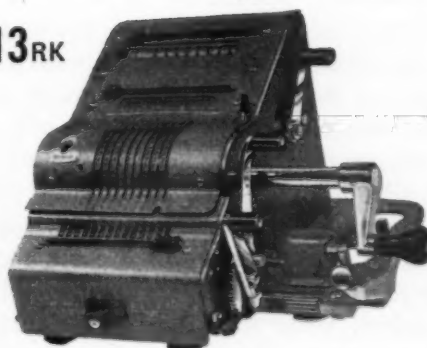
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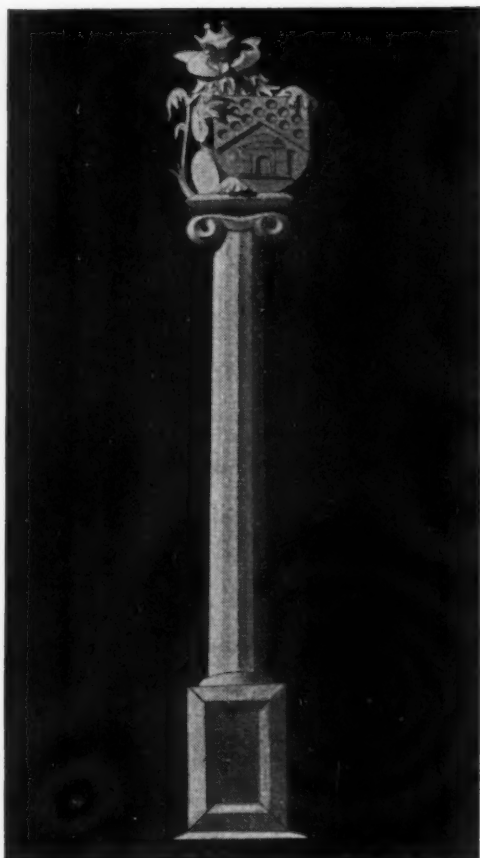


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BRANCHES AND AGENCIES THROUGHOUT
THE COUNTRY



- THOMAS, MARK LAWTON; A.C.A., 1959; 51 Sparelease Hill, Loughton, Essex.
- THOMAS, TERENCE JAMES COYNE; A.C.A., 1959; 16 Ynysmaerdy Road, Briton Ferry, Glamorgan.
- THOMAS, WILLIAM STUART; A.C.A., 1959; "Flat B," Dovedale, Blundellsands Road East, Liverpool, 23.
- THOMPSON, GRAHAM; A.C.A., 1959; 105 Brookdale Road, Nuneaton, Warwicks.
- THOMPSON, JAMES LAWTON; A.C.A., 1959; 6 Caernarvon Road, Up Hatherley, Cheltenham, Glos.
- THOMPSON, JOHN; A.C.A., 1959; 71 Willows Lane, Accrington, Lancs.
- THORLEY, RONALD; A.C.A., 1959; 12 Donnington Avenue, Cheadle, Cheshire.
- THORN, REX STUART; A.C.A., 1959; 183 Ridge Road, Sutton, Surrey.
- THORP, BRIAN RIGBY, B.A.(COM.); A.C.A., 1959; Flat No. 3, 79b Northenden Road, Sale, Cheshire.
- THORPE, DAVID RODNEY; A.C.A., 1959; 16 South Street, Ilkeston, Derbyshire.
- THRELFALL, JOHN PETER; A.C.A., 1959; 108 Valley Drive, Ben-Rhydding, Ilkley, Yorks.
- THURGOOD, DOUGLAS CEAL; A.C.A., 1959; 20 Woodridings Close, Hatch End, Pinner, Middx.
- TIFFEN, RONALD JOHN; A.C.A., 1959; 44 Falcon Lodge Crescent, Walmley, Sutton Coldfield, Warwicks.
- TILDESLEY, JOHN MICHAEL; A.C.A., 1959; 37 Osborn Road, Barton-le-Cley, Beds.
- TIMMS, JEFFREY WILLIAM; A.C.A., 1959; 1 Parkside Gardens, Wollaton Vale, Beeston, Notts.
- TIPLADY, WILLIAM; A.C.A., 1959; 72 Palatine Drive, Walmersley, Bury, Lancs.
- TITHERADGE, DAVID EDWARD HETTRELL; A.C.A., 1959; 19 Rectory Road, Walthamstow, London, E.17.
- TOGWELL, WILLIAM; A.C.A., 1959; 12 Finney Drive, Finney Green, Wilmslow, Cheshire.
- TOLLINTON, HENRY DESMOND; A.C.A., 1959; Fen Cottage, Turners Hill, Sussex.
- TOMPSETT, MICHAEL JOHN; A.C.A., 1959; 59 Kingsmead Avenue, Worcester Park, Surrey.
- TOWLER, ROY SYDNEY; A.C.A., 1959; "Llanlow," Walton Road, Wisbech, Cambs.
- TREPTE, PAUL NORMAN; A.C.A., 1959; 267 Latymer Court, Hammersmith Road, London, W.6.
- TREVOR, MICHAEL; A.C.A., 1959; 62 North End Road, London, N.W.11.
- TRUELOVE, EDWARD GEORGE; A.C.A., 1959; 31 Brooksbank House, Morning Lane, Hackney, London, E.9.
- TRUELOVE, WILLIAM CHARLES; A.C.A., 1959; 60 Fairlop Road, Barkingside, Ilford, Essex.
- TUKE, GEOFFREY; A.C.A., 1959; 100 Wharncliffe Drive, Eccleshill, Bradford, 2, Yorks.
- TUN, MAUNG TIN; A.C.A., 1959; 53 Princes Square, London, W.2.
- TURNER, JUSTIN, B.A.; A.C.A., 1959; 42 Shirehall Lane, Hendon, London, N.W.4.
- TYABJI, FAIZ SALMAN BADRUDDIN, B.SC. (ECON.); A.C.A., 1959; Flat No. 2, 24 St. Edmund's Terrace, London, N.W.8.
- UFLAND, DAVID LESLIE; A.C.A., 1959; 33 Hurstwood Road, Temple Fortune, London, N.W.11.
- UNWIN, THOMAS JAMES; A.C.A., 1959; 31 Howard Place, Westlands, Newcastle, Staffs.
- USHER, ROGER JOHN; A.C.A., 1959; New Gregorys, Beaconsfield, Bucks.
- UTTING, FREDERICK CHARLES; A.C.A., 1959; 85 Church Road, Llanstadwell, Milford Haven.
- VALLIS, ROGER FREDERICK; A.C.A., 1959; The Red Lion, Stoke Green, Slough, Bucks.
- VARCOE, BRIAN RICHARD; A.C.A., 1959; 18 Crowndale Road, Knowle, Bristol, 4.
- VIGOR, NORMAN JOHN; A.C.A., 1959; 18 Parklands Road, Streatham, London, S.W.16.
- VIVIAN, GEORGE TREVOR; A.C.A., 1959; Digswell Vale, Welwyn, Herts.
- WADDINGTON, ROY; A.C.A., 1959; 20 Oak Street, Burnley, Lancs.
- WAITE, WILLIAM THOMAS; A.C.A., 1959; with Keens, Shay, Keens & Co., Bilbao House, New Broad Street, London, E.C.2.
- WALFORD, ROBERT ALLEN; A.C.A., 1959; Dolwerdd, Radcliffe Road, Criccieth, Caerns.
- WALLER, JOHN DONALD; A.C.A., 1959; 34 Park Avenue, Orpington, Kent.
- WARD, ELLIOTT; A.C.A., 1959; 23 Bolbec Road, Fenham, Newcastle upon Tyne, 4.
- WARDLE, JOHN; A.C.A., 1959; 25 Sudbury Avenue, Ilkeston, Derbyshire.
- WARING, RICHARD DENTON; A.C.A., 1959; 61 Avonmore Road, London, W.14.
- WATCH, CECIL; A.C.A., 1959; 21 Belhaven Road, Higher Crumpsall, Manchester, 8.
- WATERING, DALE FRANCIS; A.C.A., 1959; 223 Corbets Tey Road, Upminster, Essex.
- WATERS, GEOFFREY NIGEL; A.C.A., 1959; 77 Meadway, London, N.W.11.
- WATSON, JOHN DAVID; A.C.A., 1959; 5 Mapperley Park Drive, Mapperley Park, Nottingham.
- WEARE, BERNARD JOHN; A.C.A., 1959; 30 Heol Powis, Birchgrove, Cardiff.
- WEST, DAVID FREDERICK, B.A.(COM.); A.C.A., 1959; "Oaklands," Burgh Lane, Chorley, Lancs.
- WESTWOOD, ANDREW OAKLEY; A.C.A., 1959; 89 Fountain Road, Edgbaston, Birmingham, 17.
- WHATMAN, ALAN CLEMENT; A.C.A., 1959; 10 Somerset Road, Tunbridge Wells, Kent.
- WHEELER, ARTHUR EDWARD CLIFFORD, D.F.C.; A.C.A., 1959; 96 Northey Avenue, Cheam, Surrey.
- WHITE, GEORGE WILLIAM ALBERT, D.F.C.; A.C.A., 1959; 15 Stubbington Avenue, North End, Portsmouth.
- WHITE, DAVID YORK; A.C.A., 1959; 22 Willett Way, Petts Wood, Orpington, Kent.
- WHITEHOUSE, PAUL WILSON; A.C.A., 1959; 37 Finchfield Road, Wolverhampton.
- WHITMORE, ANTHONY BRIAN RADLEIGH; A.C.A., 1959; 101 Woodbridge Road East, Ipswich, Suffolk.
- WHITSON, ROWLAND JOHN; A.C.A., 1959; Star Beech, Drybrook, Glos.
- WICK, IAN STUART; A.C.A., 1959; 13 Florence Drive, Enfield, Middx.
- WIKE, BRIAN; A.C.A., 1959; 64 Hunts Cross Avenue, Woolton, Liverpool.
- WILD, CHARLES BARRIE; A.C.A., 1959; 49 St. Leonards Lea, Barnsley Road Estate, Scawsby, Doncaster.
- WILLIAMS, BRIAN JOHN; A.C.A., 1959; 4 River Bank, East Molesey, Surrey.
- WILLIAMS, DAVID HALLETT; A.C.A., 1959; 6 St. Swithun's Court, Bridport, Dorset.
- WILLIAMS, GEORGE THOMAS; A.C.A., 1959; 44 Rennel Road, Highfield, Liverpool, 14.
- WILLIAMS, GRAHAM THOMAS; A.C.A., 1959; 11 The Cliff, Scunthorpe.
- WILLIAMS, JOHN PHILIP; A.C.A., 1959; 9 Meadow Road, Neath, Glamorgan.
- WILLIAMS, ROY; A.C.A., 1959; 64 Apsley Road, Great Yarmouth, Norfolk.
- WILLIAMS, THOMAS RICHARD JAMES; A.C.A., 1959; 159 Carson Road, London, E.16.
- WILLIAMSON, ALAN GEORGE; A.C.A., 1959; 14 Willian Way, Letchworth, Herts.
- WILLS, JOHN ROBERT; A.C.A., 1959; 105 County Road, Ormskirk, Lancs.
- WILMOT, KENNETH FREDERICK; A.C.A., 1959; 39 Croft Way, Horsham, Sussex.
- WILSON, ALAN WILLIAM; A.C.A., 1959; The Carlton Hotel, East Cliff, Bournemouth, Hants.
- WILSON, JAMES MURRAY; A.S.A.A., 1959; "Bödele," Harcourt Road, Claremont, Cape Town, S. Africa.
- WILSON, ROBERT; A.C.A., 1959; 53 Gamble Street, Forest Road West, Nottingham.
- WINDER, JOHN ALAN; A.C.A., 1959; 170 South View Road, East Bierley, near Bradford.
- WINDOWS, GORDON TENNYSON; A.C.A., 1959; 15 Moreton Road, Oxford.
- WINDSOR, JAMES MICHAEL; A.C.A., 1959; 2 Vandyck Avenue, Burnley.
- WINTERBURN, JOHN HENRY; A.C.A., 1959; 8 Yarwood Grove, Great Horton, Bradford.
- WINTERTON, WILLIAM; A.C.A., 1959; Frenchmoore, West Tytherley, near Salisbury, Wilts.
- WISE, DAVID EDWARD; A.C.A., 1959; 50 Warwick New Road, Leamington Spa, Warwicks.
- WISEMAN, GERALD ARTHUR; A.C.A., 1959; 66a Sedlescombe Road South, St. Leonards, Sussex.
- WONG, JOSEPH PHUI-LUN, B.COM.; A.C.A., 1959; 25 Beauchamp Road, Clapham Junction, London, S.W.11.
- WOOD, AUBREY CHARLES; A.C.A., 1959; 9 Wilton Hollow, Amersham Road, Beaconsfield, Bucks.
- WOODWARD, KEITH WARD; A.C.A., 1959; 80 Church Lane, Gorleston-on-Sea, Great Yarmouth, Norfolk.
- WOOLDRIDGE, LESLIE; A.C.A., 1959; 23 Victoria Rise, Clapham, London, S.W.4.
- WOOLF, PETER MICHAEL; A.C.A., 1959; 23 Crespigny Road, Hendon Central, London, N.W.4.
- WOOLFENDEN, VYVYAN PETER; A.C.A., 1959; 6 High Hatherlow, Romiley, Cheshire.
- WORTH, WILLIAM JOHN; A.C.A., 1959; 54 Woodland Way, Woodford Wells, Essex.
- WRIGHT, JOHN CHARLES; A.C.A., 1959; 57 King Edward Drive, Grays, Essex.
- WRIGHT, PAUL EDGSON; A.C.A., 1959; with Riddell, Stead, Graham & Hutchison, 46 St. John Street, Montreal, P.Q., Canada.
- WYNNIATT-HUSEY, REGINALD JAMES; A.C.A., 1959; 50 Braemore Road, Hove, 3, Sussex.
- YENDLE, ANTHONY; A.C.A., 1959; The Laurels, Millbrook Crescent, Carmarthen.
- YORKE, JOHN DAVID; A.C.A., 1959; Bowling Green Cottage, Stainland, Halifax, Yorks.
- YOUNG, ARTHUR; A.C.A., 1959; 2 Alexander Square, Clayton, Bradford.
- YOUNG, ERIC CECIL; A.C.A., 1959; 112 Rutland Road, Southall, Middx.
- YOUNG, JACK; A.C.A., 1959; 14 Hartburn Road, Cullercoats, North Shields, Northumberland.
- YOUNG, RODERIC NEIL, B.A.; A.C.A., 1959; The Gables, Oxted, Surrey.
- YOUNGMAN, BRIAN JOHN; A.C.A., 1959; 11 Blackthorn Drive, Stopsley, Luton, Beds.

Elections to Fellowship

The following were elected to fellowship:

- BASDEN, BRIAN EDWARD; A.C.A., 1951; (Mellors, Basden & Co.), Portland House, 73 Basinghall Street, London, E.C.2; also at Manchester and Nottingham (Mellors, Bagden & Mellors).
- CHICK, KENNETH JAMES, B.COM.; A.C.A., 1958; (S. 1953); (K. J. Chick & Co.), 167 Watling Street West, Towcester, Northants, and at Northampton.
- HINDLEY, HAROLD BRAILSFORD; A.C.A., 1919; (Whinney, Murray & Co.), 14 Place de Meir, Antwerp, and at The Hague and

Paris; also at Hamburg (†Whinney, Murray, Baguley & Co.).

HOBBS, DAVID WILLIAM; A.C.A., 1935; (Williamson, Butterfield & Roberts), City Chambers, 2 Darley Street, Bradford, 1, and at Cleckheaton.

HOLDER, EDWARD JOHN RING; A.C.A., 1952; (Darke, Robson & Co.), 80 Bishopsgate, London, E.C.2.

HOLLWAY, FREDERICK JOHN; A.C.A., 1950; (Barratt, Brown & Co.), York House, 38 Great Charles Street, Birmingham, 3, and at Brighton and London.

JACOBS, COLEMAN DAVID; T.D.; A.C.A., 1949; (Gerald Brauton, Jacobs & Co.), Temple Courts, 55 Temple Row, Birmingham, 2.

KIMBLE, BERNARD HENRY; A.C.A., 1958; (S. 1953); (*Stanley Gorrie, Whitson & Co.), 9 Cavendish Square, London, W.1.

LACE, JAMES IRVING; A.C.A., 1958; (S. 1954); (Edmund B. Gasking & Co.), Martins Bank Chambers, Moor Street, Ormskirk, and (*W. F. Brown & Co.), Westminster Bank Chambers, Aughton Street, Ormskirk; also at Formby (Edmund B. Gasking & Co.), and Liverpool (Gasking, Lace & Co.) and (James Kerr & Sons).

MEEK, RONALD JULIAN; A.C.A., 1954; 80 Wimpole Street, Cavendish Square, London, W.1.

PHILLIPS, MICHAEL LIONEL; A.C.A., 1954; (Hacker, Rubens & Co.), 18 Maddox Street, London, W.1.

TATE, JOHN CHARLES; A.C.A., 1958; (S. 1954); (Geo. R. Williams, Tate & Co.), 19 Windsor Place, Cardiff.

TWIDALE, FREDERICK HENRY; A.C.A., 1935; (*Henry Twidale & Co.), Rua Xavier Toledo 316, 14th Floor, Rooms Nos. 1404-8, Sao Paulo, Brazil.

WILSON, WILLIAM DEREK; A.C.A., 1954; (Wilson, Powell & Co.), 48-50 Mosley Street, Manchester, 2, and at Buxton and Southport; also at Stockport (Jones, Wilson & Co.).

Members Commencing to Practise

The Council received notice that the following members had commenced to practise:

APPLEBY, GEORGE; A.C.A., 1958; (S. 1950); (Heald, Appleby & Co.), 67 Mill View Drive, Tynemouth, Northumberland, and at Newcastle upon Tyne.

BARDSLEY, IAN FREDERICK FORREST; A.C.A., 1958; (J. Bardsley & Co.), 16A Carter Gate, Newark, Notts.

BARTON, DOUGLAS CLEMENT; A.C.A., 1950; (Gordon Weaver, Barton & Co.), 183 High Road, Loughton, Essex.

CAMPBELL, KENNEDY; A.C.A., 1958; (S. 1954); (W. L. Jackson & Hesketh), 41 North John Street, Liverpool, 2, and at Hanley and Tunstall.

COOKE, IVOR GUEST HAMEL; A.C.A., 1948; 50 Suffolk Street, Birmingham, 1.

COPPING, RALPH GREENWOOD; A.C.A., 1957; (Myrus Smith & Walker), Bank Chambers, 329 High Holborn, London, W.C.1.

GALLON, GEOFFREY; A.C.A., 1958; (S. 1944); (*E. Skipper & Co.), Trustees Savings Bank Chambers, Ellison Street, Jarrow, Co. Durham.

GEE, BRIAN ARNOLD; A.C.A., 1951; (Reeves & Rothwell), Chapel House, New Broad Street, London, E.C.2.

GRIMLEY, ANTHONY ROBERT; A.C.A., 1955; (Robert Grimley & Son), 30 Park Row, Nottingham.

HILL, GEOFFREY ARTHUR BRIAN; A.C.A., 1956; (Foreman & Hill), Liberal Club Buildings, The Acre, Windsor, Berks.

KING, PETER FRANCIS MORRISON; A.C.A., 1958; (S. 1956); (Francis F. King & Son), Queens House, Leicester Square, London, W.C.2, and (Wallace Cash & Co.), 11 Stanhope Gate, Park Lane, London, W.1; also at Amersham (Francis F. King & Son).

LICKLEY, ALBERT RAYMOND; A.C.A., 1958; (S. 1948); (Mills & Black), Blake House, Bath Street, Bakewell, Derbyshire, and at Buxton, Matlock and Wirksworth.

MARTIN, OWEN NEIL; A.C.A., 1953; 16 Blackborough Road, Reigate, Surrey.

NORTH, BRIAN SAMUEL; A.C.A., 1958; (*Roberts & North), 84 High Road, Beeston, Nottingham.

ROGERS, BERNARD WILLIAM GORDON; A.C.A., 1953; 34 Silverthorn Gardens, North Chingford, London, E.4.

TOOLE, PATRICK JOHN; A.C.A., 1957; 11 Court Drive, Sutton, Surrey.

VIZE, JOHN CLIFFORD; A.C.A., 1958; (*Worrall, Vize & Co.), 72 Bower Way, Cippenham, Slough, Bucks.

WITZLER, ARNOLD; A.C.A., 1955; (J. Altman & Co.), 36 Seymour Street, Portman Square, London, W.1.

GRANT, PETER OWEN, A.S.A.A., c/o Colin Corbett & Co., P.O. Box 82, Knysna, Cape, South Africa.

GREEN, JAMES, A.C.A., 21 Swinley Lane, Wigan, Lancs.

HART, LESLIE ORRELL, A.C.A., 45 Nailcote Avenue, Tile Hill, Coventry.

HARTLEY, EDWARD, A.C.A., 70 Kingston Crescent, Portsmouth.

JUDD, GEORGE FRANCIS, F.C.A., P.O. Box 8529, Johannesburg, South Africa.

NORTH, PHILIP ANTHONY, A.C.A., c/o G. Hercok Esq., 65 Meadway, Welwyn Garden City, Herts.

O'SHEA, MAURICE JOHN, B.A.(COMM.), A.C.A., 3659 Lorne Crescent, Montreal, P.Q., Canada.

PARKER, CHARLES ALEXANDER, A.C.A., c/o The Mason Engineering Co. Ltd., Riverside Works, St. Andrews Road, Northampton.

PEARCE, LEONARD CHARLES, A.C.A., 64 Fore Street, Newquay, Cornwall.

RENAUT, DEREK ANTHONY, A.C.A., 4033 East Sussex, Fresno, California.

ROY, AMIYA MOHAN, A.C.A., 62 Boloram de Street, Calcutta 6, India.

SHELDON, JOHN, A.C.A., 69 Kempe Road, London, N.W.6.

SIMMONDS, GEOFFREY EMANUEL, A.C.A., 4877 Sherbrooke Street West, Montreal, P.Q., Canada.

SLOD, ALEXANDER BASIL, B.COM., F.C.A., 32 Allenby Road, Tel-Aviv, Israel.

SWAIN, FRANCIS GEORGE, A.C.A., The Blue Cross, Our Dumb Friends League, Grosvenor Gardens House, Grosvenor Gardens, Victoria, London, S.W.1.

THOMAS, IVOR, F.C.A., Lynwood, College Road, Carmarthen.

THOMAS, VEEMBUKATTU ABRAHAM, A.S.A.A., Balmer, Lawrie & Co. Ltd., 21 Netaji Subhas Road, Calcutta 1, India.

WILLIAMS, JOHN ARTHUR, A.C.A., 7 Piercefield Road, Freshfield, Liverpool.

WRIGHT, GEORGE, A.C.A., Lloyds Bank Chambers, Westgate, Huddersfield.

Findings and Decisions of the Disciplinary Committee

Findings and Decisions of the Disciplinary Committee of the Council appointed pursuant to bye-law 103 of the bye-laws appended to the Supplemental Royal Charter of December 21, 1948, at a hearing on July 1, 1959.

The committee heard seventy-seven formal complaints preferred by the Investigation Committee each to the effect that the member concerned had failed to pay within four months of January 1, 1959, the subscription then due and payable by him, so as to render himself liable to exclusion or suspension from membership.

In every case the committee found the formal complaint proved.

The committee ordered that each of the twenty-seven members whose names are set out below be excluded from membership of the Institute:

BERMAN, SIDNEY, A.C.A., Govt. of Northern Region of Nigeria, Accounting Division, Ministry of Finance, Kaduna, Northern Region, Nigeria, B.W.A.

BLANKLEY, JOHN MICHAEL, B.COM., A.C.A., 106 No. Lucerne Bld., Los Angeles 4.

BROOKES, JOHN HORACE, A.C.A., 49 Wellington Road, Bromsgrove, Worcs.

BROOKS, MAXWELL PETER, B.A., A.C.A., Holmbury, Willey Lane, Caterham, Surrey.

BUTTERICK, ALEC FRANK, A.C.A., Flat No. 202, Van Brandis Heights, Hillbrow, Johannesburg, South Africa.

COOPER, MARK GARNETT, A.C.A., 10 Beaufort Road, Clifton, Bristol, 8.

FERGUSON, ARTHUR CHARLES ELDRIDGE, A.C.A., 133 McKay Avenue, Windsor, Ontario, Canada.

GAYNOR, HUGO, A.C.A., c/o Simpson Sears Ltd., 1271 Barton Street E, Hamilton, Ontario, Canada.

The committee further ordered that thirteen other members be excluded from membership but that the decision be suspended in each case so as to take effect from August 31, 1959, only if a remittance of the amount owing should not have been received before that date. In nine cases the decision did not take effect; the following four members were excluded from membership on August 31, 1959:

BLANDY, ERIC HOWLAND, M.A., A.C.A., c/o Midland Bank Ltd., 2 Hill Street, Jersey, Channel Islands.

BRUCE, WILLIAM DOUGLAS BOYACK, A.C.A., P.O. Box 465, Nassau, Bahamas.

DAVIS, IVOR HENRY, M.C., A.C.A., c/o Shell-Mex Uruguay Ltd., Casilla de Correo 838, Montevideo, Uruguay.

LINDSAY, DAVID ALLEN, A.C.A., The Hallams, Shamley Green, Guildford, Surrey.

In the case of the remaining thirty-seven members, whose full subscriptions had all been tendered at the date of the hearing, the committee decided that five be reprimanded and twenty-five admonished and that no action be taken against seven; the committee considered that there existed in thirty-six cases special circumstances which justified the omission of the names of the member from the publication of the

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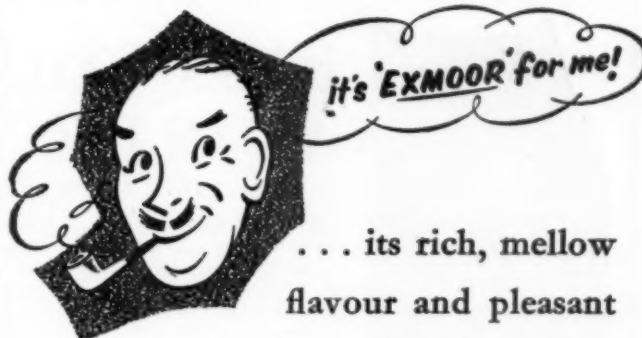
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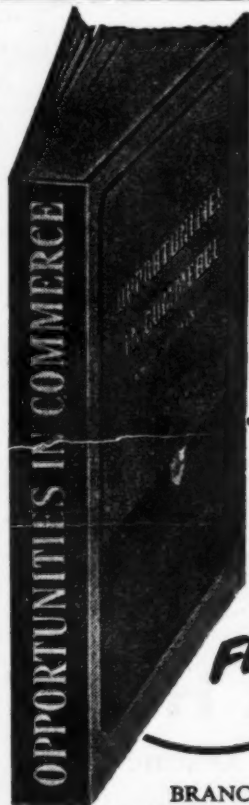
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finding and decision. The following member was reprimanded:

MACARTNEY, MICHAEL ROSS, A.C.A., P.O. Box 384, Singapore.

At a hearing on August 5, 1959, the committee heard a formal complaint preferred by the Investigation Committee to the effect that Roy William Pepperell, A.C.A., had failed to pay the subscription due from him in respect of the year 1959 for four months after the same had become due.

The committee found the formal complaint against Roy William Pepperell had been proved and ordered that Roy William Pepperell, Vale do Tibagi Comercio e Industria S/A, Av. Pres. Vargas 642, 11° And., Rio de Janeiro, Brasil, be excluded from membership.

Finding and Decision of the Disciplinary Committee of the Council of the Institute appointed pursuant to bye-law 103 of the bye-laws appended to the supplemental Royal Charter of December 21, 1948, at a hearing held on August 5, 1959.

A formal complaint was preferred by the Investigation Committee of the Council of the Institute to the Disciplinary Committee of the Council that George Percie Euler, A.C.A., (a) was on February 6, 1959, at Bow Street Magistrates Court convicted of a charge that being the receiver of the whole or substantially the whole of the property of a limited company he failed to send to the Registrar of Companies an abstract in the prescribed form showing receipts and payments during the period of twelve months ended February 10, 1958, contrary to Section 372 of the Companies Act; (b) had been guilty of acts or defaults discreditable to a member of the Institute within the meaning of clause 21, sub-clause (3), of the supplemental Royal Charter in that he failed to reply to two letters addressed to him by the Assistant Secretary and Secretary of the Institute dated respectively February 27, 1959, and April 8, 1959, so as to render himself liable to exclusion or suspension from membership of the Institute. The Committee found that the formal complaint against George Percie Euler, A.C.A., had been proved under both headings and the Committee ordered that George Percie Euler, A.C.A., of The Chalet, Clifton Lane, Ruddington, Nottinghamshire, be excluded from membership of the Institute.

District Societies

LIVERPOOL

IN A MATCH at West Lancashire Golf Club on August 27 the Senior Society beat the Students' Association by two matches to one, with two matches halved.

SHEFFIELD



MR. J. S. WORTLEY, F.C.A.

Mr. J. S. Wortley, F.C.A., the new President of the Sheffield and District Society, was educated at Uppingham School. His grandfather was a founder member of the Institute, and his father was also a member. He served articles with his uncle, the late Mr. John Wortley, F.C.A., then a member of the Council.

Mr. J. S. Wortley was admitted to membership in 1932, and became a partner in Messrs. Joshua Wortley & Sons, Chartered Accountants, in 1934, and senior partner in 1940.

Students' Societies

LINCOLN AND SOUTH LINCOLNSHIRE

THE SOCIETY was founded in October, 1958, and on December 31 there were five honorary and twenty-six ordinary members.

The first annual meeting was held on July 16.

The officers and committee are: President, Colonel N. B. Hart, O.B.E., T.D., D.L., M.A., LL.B., F.C.A.; Executive Vice-President, Mr. G. H. Kelsey, F.C.A.; Committee, Miss Barlow, Mr. R. G. Huckle, Mr. T. G. Kelsey, Mr. G. R. Oram, B.A., and Mr. L. W. Wright; Hon. Secretary, Mr. R. M. Jolly, Newland Chambers, Beaumont Fee, Lincoln; Hon. Treasurer, Mr. J. M. Kaye; Assistant Hon. Treasurer, Mr. T. G. Kelsey; Hon. Auditor, Mr. M. A. North.

SOUTH WALES AND MONMOUTHSHIRE

A TENNIS CONTEST with Bristol, played in Bristol on August 20, was lost by eight matches to one.

A cricket match on August 26 at Cardiff against the West Wales Students' Society was won by 89 runs.

Forthcoming Events

BIRMINGHAM Students' Meetings

September 27.—Car treasure hunt with the Birmingham Law Students' Society, at 10.30 a.m.

October 6.—Mock meeting of shareholders and meeting of creditors, arranged by Mr. W. G. A. Russell, 36 Cannon Street, at 6 p.m.

October 7.—Visit to Stock Exchange.

October 7.—"Takeover Bids and New Issues," by Mr. J. Dawes, director of a London issuing house. Queens Hotel, at 6 p.m.

October 13.—"Management Accounting," by Mr. S. Dixon, M.A., A.C.A. 36 Cannon Street, at 6 p.m.

October 17.—Visit to Mitchells & Butlers Ltd., Cape Hill. At 9.45 a.m.

October 20.—"An Executor's Accounts," by Mr. K. S. Carmichael, A.C.A. Imperial Hotel, Temple Street, at 6 p.m.

October 21.—Visit to Cadbury Bros., Bournville.

BRADFORD Members' Function

October 2.—Dinner and Dance. Midland Hotel.

BRIGHTON Students' Meetings

September 21-25.—South Eastern Society of Chartered Accountants Students' Residential Course: Intermediate.

September 26.—Students' dance. Bedford Hotel, at 8 p.m.

September 26.—"Auditing," by Mr. G. Goddard, A.C.A. Conference Room 3, Royal Pavilion, at 10.15 a.m.

October 3.—"Personal Taxation—Husband and Wife," by Mr. G. W. Davies, F.C.A. Conference Room 3, Royal Pavilion, at 10.15 a.m.

October 5-9.—South Eastern Society of Chartered Accountants Students' Residential Course: Final.

October 10.—"Practical Executorship," by Mr. M. W. Lockyer, A.I.B. Conference Room 3, Royal Pavilion, at 10.15 a.m.

October 17.—"Contract Law," by Mr. R. D. Penfold, LL.B., Barrister-at-Law. Conference Room 3, Royal Pavilion, at 10.15 a.m.

BURTON-IN-WIRRAL

September 25-October 2.—Residential Course for Intermediate and Final students in Manchester and Liverpool areas. Burton Manor.

BUXTON

September 28-October 2.—Second Joint Residential Course of the Leicestershire and Northamptonshire, the Sheffield and District and the North Lincolnshire Students' Societies.

CAMBRIDGE

September 24-26.—Residential Conference of London and District Society on Management Accounting. Pembroke College. Opening address by Mr. C. H. Sutton,

F.C.A., President of the East Anglian Society of Chartered Accountants. Address, "An Ordinary Accountant Looks at Management Accounting," by Mr. H. O. H. Coulson, F.C.A. First Session: Paper "The Use of Variances," by Mr. F. T. Hunter, F.C.A. Second Session: Two Case Studies on Practical Problems in Actual Cases, by Mr. S. V. Bishop, M.C., A.C.A., and Mr. A. E. F. Gilbert, F.C.W.A. Each session with group discussions and plenary meetings.

CARLISLE

Members' Meetings

September 23.—Golf competition. Carlisle Golf Club, at 2 p.m.

October 14.—Luncheon. Central Hotel, at 1 p.m.

Students' Meeting

October 15.—"Partnership Accounts—Goodwill—Dissolutions," by Mr. L. J. Northcott, F.C.A. County Hotel, at 6.45 p.m.

COLCHESTER

October 5.—"Internal Finance and External Exchange—a Discussion of the U.K. Monetary and Banking System," by Mr. A. R. Ilesic, M.Sc.(ECON.), B.COM., preceded by an informal supper. The Officers' Club, at 6 p.m.

COVENTRY

Students' Meetings

At Golden Cross, Hay Lane, at 6 p.m.

October 5.—"Banking," by Mr. J. Cox (Midland Bank Ltd.).

October 19.—"Life in Russia Today," by a Russian Embassy official.

DERBY

October 9.—Annual Dinner of Derby Branch of Nottingham Society. St. James's Restaurant, at 7 for 7.30 p.m.

DURHAM

September 25–28.—Residential course of North Yorkshire and South Durham Students' Society. Durham University.

EASTBOURNE

Students' Meetings

Held at the Civil Defence Hall, Furness Road, at 10.30 a.m.

September 26.—"The Economic Aspects of the Budget," by Mr. F. Meddings (Barclays Bank Limited).

October 3.—"Professional Etiquette," by Mr. R. S. Waldron.

October 17.—"The Law of Tort," by Mr. J. F. Chatfield, Solicitor.

October 22.—Visit to T. R. Beckett Limited. Tour of the printing works, followed by a short talk by their Secretary on the industry and its accounting problems.

HUDDERSFIELD

October 13.—Luncheon meeting. Whiteley's Restaurant, at 12.30 for 12.45 p.m.

IPSWICH

September 29.—Annual general meeting of the Ipswich and District Branch of the East Anglian Students' Association, followed by

a mock company meeting. At the offices of Mr. R. A. Patterson, C.A., Northgate Street (opposite the Library).

October 13.—"Auditing," by Mr. R. E. G. Perrins, and "Company Law," by Mr. R. D. Penfold. For Final students. Golden Lion Hotel, Cornhill, at 11 a.m. and 2.30 p.m.

October 13.—"Contract Law," by Mr. R. D. Penfold, and "Partnership Accounts," by Mr. R. E. G. Perrin. For Intermediate student. Golden Lion Hotel, Cornhill, at 11 a.m. and 2.30 p.m.

KINGSTON-on-THAMES

October 5.—Meeting of South-West London Discussion Group. The Kingston Hotel, at 6.45 p.m.

LEEDS

Members' Meetings

September 25.—Luncheon meeting. Great Northern Hotel, at 12.45 for 1 p.m.

October 2.—Annual golf competition. Ganton Golf Course.

October 23.—Annual Dinner of the Leeds, Bradford and District Society. Queens Hotel, at 6.45 for 7.30 p.m.

Students' Meetings

Held at the Leeds and County Conservative Club, South Parade, unless otherwise stated.

September 23.—"The London Money Market and How it Works," by Mr. D. Taylor-Smith. At 6 p.m.

September 30.—"The Auditor and his Programme," and "Some Special Audits," by Mr. V. S. Hockley, B.COM., C.A. At 4.30 p.m. and 6 p.m.

October 5.—"Estate Duty on Controlled Companies," by Mr. T. A. Hamilton Baynes, M.A., F.C.A. At 6 p.m.

October 9.—Visit down a coal mine. At 1.45 p.m.

October 14.—"Costing," and "Partnership Law and Accounts," by Mr. C. J. Russell, A.C.A. At 4.30 p.m. and 6 p.m.

October 21.—"From Death to the Opening of the Executor's Books," and "Writing Up and Closing the Executor's Books," by Mr. S. W. Telfer, B.COM., A.C.A. At 4.30 p.m. and 6 p.m.

October 23.—Tea with the President and the Secretary of the Institute. The Queens Hotel, at 4 p.m.

LEICESTER

Members' Meetings

October 7.—Luncheon meeting. Grand Hotel.

October 7.—"Specialisation in the Profession," by Mr. P. N. Wallis, A.C.A. Luncheon meeting. Grand Hotel.

LIVERPOOL

Students' Meetings

Held in the Library, 5 Fenwick Street, at 5 p.m.

September 24.—"The Liverpool Cotton Market," by Mr. W. F. Machin.

September 25–October 2.—Students' Residential Course. See under Burton-in-Wirral.

October 1.—"The Work of the G.P.O.," by Mr. K. P. Thompson, M.P.

October 15.—"The Work of the Official Receiver," by Mr. A. K. Ferguson, A.C.A.

October 22.—"Case Law and Examinations," by Mr. R. G. Highcock, LL.B., A.C.A.

LONDON

Members' Meetings

September 24–26.—Residential Conference on Management Accounting. Pembroke College, Cambridge. (See details under "Cambridge.")

October 6.—Annual Dinner of the London and District Society. Mansion House, at 7 for 7.30 p.m.

October 7.—Meeting of the Taxation Discussion Group. The Cheshire Cheese, at 6 p.m.

October 21.—Meeting of the Central London Discussion Group. The Lamb and Flag, at 6.30 p.m.

Students' Meetings

September 21.—Visit to the Royal Mint.

September 30.—Meeting for newly qualified members. The Institute, at 5.30 p.m.

October 1.—Meeting for new members. The Institute, at 5 p.m.

October 2.—"How to Study," by Mr. R. J. Carter, B.COM., F.C.A., Secretary of the Students' Society. Introductory course lecture.

October 5.—Whole-day course of lectures: "The Taxation of Husbands and Wives," by Mr. Eric C. Meade, A.C.A.; "Keeping Up to Date with Taxation," by Mr. C. H. Kohler, F.C.A. Lecture, film and demonstration of Punched Card Accounting. At 9.50 a.m.

October 5.—President's meeting. Address by Viscount Montgomery of Alamein, K.G., G.C.B., D.S.O. Chairman, Mr. W. E. Parker, C.B.E., F.C.A. (President of the Students' Society). Guildhall, at 5 p.m.

October 6.—Introductory lecture for Mechanised Accounting Course, by Mr. Dudley W. Hooper, M.A., A.C.A. (Chief Organising Accountant, National Coal Board). The Institute, at 5.30 p.m.

October 7.—Lecture and demonstration of Kalamazoo Accounting methods.

October 8.—"The Chartered Accountant's Profession," by Mr. R. J. Carter, B.COM., F.C.A., Secretary of the Students' Society. Introductory course lecture. The Institute, at 5.15 p.m.

October 9.—"The Fundamentals of Business," by Mr. R. J. Carter, B.COM., F.C.A., Secretary of the Students' Society, and "The English Judicial System," by Mr. P. W. Medd, Barrister-at-Law. Introductory course lectures. The Institute, at 5.15 p.m.

October 12.—"Costing," by Mr. F. T. Hunter, F.C.A., F.C.W.A. "The Work of Executors and Trustees," by Mr. M. W. Lockyer, A.I.B. "The Accountant's Place in an Industrial Organisation," by Mr. E. H. Davison, A.C.A. (Treasurer, Courtalds Ltd.). "Assurance and Insurance," by Mr. S. R. Fenwick, F.C.I.I. "Practical Aspect" lecture course, at the Institute.

October 12.—Visit to the Royal Mint (limited number).

October 12.—"Audit Working Papers," by Mr. J. O. Elphick, F.C.A. The Institute, at 5.30 p.m.

October 13.—"The Practical View of Auditing," by Mr. S. J. D. Corsan, A.C.A. "Banking Practice," by Mr. G. I. Williamson (Manager, Midland Bank, Overseas Branch). "Stock Exchange Practice," by Mr. P. Legge (member of the Stock Exchange). "Practical Aspect" lecture course, at the Institute.

October 13.—"How to Prepare a Speech," by Miss H. M. Taylor. Speakers' Course. The Institute, at 5.30 p.m.

October 14.—"The Chartered Accountant and Accounting Mechanisation," by Mr. Kenneth G. Bishop, A.C.A. (Chief Accountant, Yardley & Co. Ltd.). "The Finance of Foreign Trade," by Mr. P. J. Shaw (Assistant Manager, Midland Bank, Overseas Branch). "Economic Effects of Taxation," by Mr. A. R. Ilesic, M.Sc.(ECON.), B.COM. "Receiverships and Bankruptcy Practice (including Deeds of Arrangement)," by Mr. Leslie Cork. "Practical Aspect" lecture course at the Institute.

October 14.—Lecture and demonstration of peg board accounting (limited number).

October 15.—"Building Societies' Finance," by Mr. C. F. Askew (Joint General Manager, Abbey National Building Society). "Accounting for Management," by Mr. Christopher I. Bostock, M.A., F.C.A. "The Consolidation of Accounts in Practice," by Mr. E. D. McMillan, A.C.A. "Practical Aspect" lecture course at the Institute.

October 15.—"The Fundamentals of Accountancy," by Mr. R. J. Carter, B.COM., F.C.A., Secretary of the Students' Society. Introductory course. The Institute, at 5.15 p.m.

October 16.—"The Functions and Form of the Profit and Loss Account and the Balance Sheet," by Mr. R. J. Carter, B.COM., F.C.A., Secretary of the Students' Society. "The English Judicial System—II," by Mr. P. W. Medd, Barrister-at-Law. Introductory course. The Institute, at 5.15 p.m.

October 19.—"Estate Duty Complications," by Mr. A. E. Langton, LL.B., F.C.A. The Institute, at 5.30 p.m.

October 20.—"How to Deliver a Speech," by Miss H. M. Taylor. Speakers' Course. The Institute, at 5.30 p.m.

October 20.—Lecture and demonstration of keyboard accounting machines (limited number).

October 22.—"The Fundamentals of Auditing," by Mr. F. R. Porter, F.C.A., A.C.W.A. Introductory course lecture. The Institute, at 5.15 p.m.

MANCHESTER

Members' Meetings

September 22.—Sherry party. Board Room, 46 Fountain Street, from 6 p.m. to 7 p.m.

October 9.—"Surtax Directions," by Professor G. S. A. Wheatcroft, M.A., Professor of Law at London University. Members' meeting. Chartered Accountants' Hall, 46 Fountain Street, at 6 p.m.

October 12.—"Behind the Television Camera," by Mr. R. H. Hammans (Director of Engineering, Granada TV Network Ltd.). Members' meeting. Board Room, 46 Fountain Street, at 12.45 p.m.

Students' Meetings

In addition to the students' lectures set out below, the following series of lectures arranged by the Joint Tuition Committee will be held at the Chartered Accountants' Hall, 46 Fountain Street, at 9.30 a.m. and 11 a.m.:

Intermediate lectures (lecturers, Mr. A. Steel, Senior Inspector of Taxes; Mr. J. C. Wood, LL.M.; Mr. C. C. Hunt, Senior Inspector of Taxes, and Mr. W. Pickles, B.COM., F.C.A.) on September 19, 26, October 3, 10 and 17.

Final lectures (lecturers, Mr. F. Wolstenholme, F.C.W.A.; Mr. R. Y. Taylor, B.A., A.C.A.; Mr. W. Pickles, B.COM., F.C.A., and Mr. C. C. Hunt, Senior Inspector of Taxes) on September 19, 26, October 3, 10 and 17.

September 25–October 2.—Students' Residential Course. See under Burton-in-Wirral.

The following students' meetings will be held at the Chartered Accountants' Hall, 46 Fountain Street.:

September 24.—President's tea party for recently-articled clerks. At 4.45 p.m.

September 24.—"The Institute, its Aims and Ideals," by Mr. R. H. E. Wilkinson, M.A., J.P., F.C.A. At 6 p.m.

October 1.—"Balance Sheet Interpretation," by Mr. N. V. Underwood, A.I.B. At 6 p.m.

October 8.—"An Introduction to Electronic Data Processing," by Mr. J. Gelley, B.COM., A.C.A. At 6 p.m.

October 15.—"In-Line Accounting," by Mr. J. Gelley, B.COM., A.C.A. At 6 p.m.

October 22.—Visit underground to a Manchester colliery (by arrangement with the National Coal Board). Limited number.

NORTHAMPTON

October 19.—Annual Dinner of the Leicestershire and Northamptonshire Society. The "Salon," Franklin's Gardens.

October 19.—President's tea party. Visit of the President of the Institute. Students' meeting. Wedgewood Café, at 3.45 p.m.

NOTTINGHAM

September 23.—"Estate Duty Computations" and "Executorship Law and Accounts," by Mr. D. Rich, A.C.A. Students' meeting. Elite Cinema, at 4 p.m.

OXFORD

September 29.—Annual Dinner of Oxford Chartered Accountants' Group. University College, at 6.30 for 7 p.m.

Students' Meetings

September 23.—"The Practical Approach to Executorship," by Mr. M. W. Lockyer, A.I.B. The Kemp Restaurant Green Room, Broad Street, at 6.30 p.m.

October 13.—"Insurance," by Mr. C. Steele and Mr. D. W. Pardy. The Kemp Restaurant

Green Room, Broad Street, at 6.30 p.m.

October 22 and 23.—Pre-examination lecture course by Mr. V. S. Hockley, B.COM., C.A. The Royal Oxford Hotel, at 6.45 p.m. on October 22, and at 9.30 a.m. on October 23.

PLYMOUTH

October 2.—"Estate Duty," by Mr. P. M. B. Rowland, B.A., LL.B. Students' meeting. Grand Hotel, at 4.15 p.m.

PRESTON

The following series of lectures arranged by the Manchester Joint Tuition Committee will be held at the Masonic Hall, Saul Street, off Lancaster Road, at 10.0 a.m. and 11.15 a.m.:

Intermediate lectures (lecturers, Mr. A. Steel, Senior Inspector of Taxes, and Mr. J. C. Wood, LL.M.) on September 26, October 3, 10 and 17.

Final lectures (lecturers, Mr. F. Wolstenholme, F.C.W.A., and Mr. R. Y. Taylor, B.A., A.C.A.) on September 26, October 3, 10 and 17.

READING

Students' Meetings

October 7.—"Branch Accounts," by Mr. C. J. Russell, A.C.A. At 7 p.m.

October 15.—"Estate Duty," by Mr. Peter Whitworth, Barrister-at-Law. At 7 p.m.

RYDE, I.O.W.

September 28.—"Practical Aspects of Executorship," by Mr. J. G. Eades, Manager, Trustee Dept., National Provincial Bank Ltd., Portsmouth. Students' meeting. Spencers Inn, at 5.30 p.m.

STOCKTON-ON-TEES

October 13.—"Company Accounts," by Mr. L. J. Northcott, F.C.A. Students' meeting. Black Lion Hotel, at 6.15 p.m.

TRURO

September 18.—"The Institute," by Mr. A. S. MacIver, M.C., B.A. Students' meeting. Committee Room, Town Hall, at 4.30 p.m.

October 1.—"Estate Duty," by Mr. F. M. B. Rowland, B.A., LL.B. Students' meeting. Red Lion Hotel, at 4.30 p.m.

WOLVERHAMPTON

October 7.—Members' luncheon in honour of the Birmingham and District Society President. Reynolds Windsor Room, at 1 p.m.

October 7.—"Fraud," by Mr. T. T. Cropper, LL.B. Students' meeting. Victoria Hotel, at 6 p.m.

WORKINGTON

October 16.—"Contract Law," by Mr. D. M. Livingstone. Students' meeting. Central Hotel, at 7 p.m.

YORK

October 21.—Luncheon meeting. De Grey Rooms, at 1 p.m.

Examinations—November 1959

DETAILS ARE GIVEN of the November, 1959, examinations of the Institute and of the Society of Incorporated Accountants (in voluntary liquidation).

The prescribed examination entry form together with the appropriate fee must be received at the Institute not later than the last day stated below. Late entries cannot be accepted.

Candidates are advised in their own interests to submit their entry forms as soon as possible. Entry forms for all examinations may be obtained from the Secretary of the Institute, Moorgate Place, London, E.C.2.

Institute Examinations

Preliminary ..	November 10, 11, 12 and 13, 1959.
Intermediate ..	November 17, 18 and 19, 1959
Final ..	November 24, 25, 26 and 27, 1959.

LAST DAY FOR RECEIPT OF ENTRY FORMS:

Preliminary examination	October 6, 1959
Intermediate examination	October 13, 1959
Final examination	October 20, 1959

The Preliminary examination will be held in London and Manchester. The entry fee is £4 4s. 0d.

The Intermediate and Final examinations will be held in Birmingham, Cardiff, Leeds, Liverpool, London, Manchester and Newcastle upon Tyne. The entry fee for the Intermediate examination is £5 5s. 0d. and for the Final examination £7 7s. 0d.

Society Examinations

Intermediate ..	November 11, 12 and 13, 1959.
Final ..	November 10, 11, 12 and 13, 1959.

The Intermediate and Final examinations will be held in Birmingham, Belfast, Cardiff, Dublin, Glasgow, Leeds, Liverpool, London, Manchester, and Newcastle upon Tyne. The fees for these examinations are as follows:

Intermediate ..	£5 5s. 0d.
Final, Part I (taken separately)	£4 4s. 0d.
Final, Part II (taken separately)	£4 4s. 0d.
Final, Parts I and II together	£7 7s. 0d.

LAST DAY FOR RECEIPT OF ENTRY FORMS:

Intermediate and Final examinations

Candidates for membership of the English Institute, October 5, 1959.

(Candidates for membership of the Scottish or Irish Institute, September 20, 1959, on forms provided by the respective Institutes.)

President of the Association, and seven members were present.

Applications for Assistance

Seven new applications for assistance were considered. In one case a grant was made for one year; in one case a donation was given as a temporary measure; in four cases consideration was deferred and in the seventh case it was decided that, while no grant should be made, the applicant should be nominated if she so wished for a place in one of the Crossways Trust homes for old people.

Applications for Further Assistance

Fifteen cases for further assistance were considered. In ten cases the grant was increased; in two cases the grant was renewed; in view of improved circumstances in two cases the grant was reduced and in one case it was decided to make no further grant.

Special Fund

One application for further assistance was considered and the grant was increased.

W. B. Peat Memorial Scholarship Fund

Two applications for educational assistance were considered and in each case a grant of £30 per annum for three years was made.

The Late Sir Harry Peat

The Committee received with very great regret the Honorary Secretary's report of the death of Sir William Henry Peat, who had been a member of the Committee since 1937.

The President reminded the Committee of the very generous gift made by Sir Harry Peat in memory of his father, the income of which has been used for the grant of W. B. Peat Memorial Scholarships.

Matters Reported

The Honorary Secretary reported changes in the circumstances of ten beneficiaries during the last quarter and grants were adjusted or donations made in appropriate cases.

Christmas Food Parcels

It was decided to distribute Christmas food parcels to beneficiaries again this year.

Institute Annual Church Service

It was reported that £47 6s. 0d. was collected for the Benevolent Association at the Institute's annual Church Service on July 1, 1959.

Removal

Messrs. Wilson de Zouche and Walker Sclanders, Chartered Accountants, have transferred their principal office from Queen Street, E.C.4, to 6 Holborn Viaduct, London, E.C.1. The office at 6 Union Street, S.E.1, is unchanged.

Personal Notes

Messrs. Frederick B. Smart & Co., Chartered Accountants, London, E.C.4, announce that after nearly forty years with the firm Mr. William Young, F.C.A., has retired. The practice continues under the remaining partners.

Messrs. Osborne, Ward & Co., Chartered Accountants, London, W.1, announce that Mr. J. R. Ward, F.C.A., has retired from the partnership.

Messrs. Jenks, Percival, Pidgeon & Co., Chartered Accountants, London, E.C.2, announce that Mr. J. C. Gardiner, F.C.A., has retired from the firm to take up the full-time appointment of executive director with Sears Holdings Ltd. The practice continues under the same firm name. Mr. Gardiner remains available for consultation.

Mr. P. V. Roberts, A.C.A., having reached retirement age, will relinquish his appointment as chief accountant of the Imperial Tobacco Co. Ltd. on October 31. He will be succeeded by the deputy chief accountant, Mr. Arnold Pym, C.A.

Messrs. W. R. Gresty & Co., Chartered Accountants, Cardiff, have admitted into partnership Mr. Peter Errington, A.C.A., following on the retirement of Mr. W. R. Gresty, F.C.A., who founded the firm in 1913. Mr. Gresty remains available for the time being as consultant.

Messrs. Walter and W. B. Galbraith, Chartered Accountants, and Messrs. Robert T. Dunlop & Co., Chartered Accountants, intimate that their practices have been amalgamated. The new firm is Galbraith, Dunlop & Co., 87 St. Vincent's Street, Glasgow, C.2.

Messrs. Leigh, Lawler & Hooper, Chartered Accountants, of Southport, announce that their senior partner, Mr. John J. Lawler, J.P., F.C.A., has retired from the firm to take up a commercial appointment. He continues to be available in a consultative capacity. Mr. M. S. Isherwood, A.C.A., Mr. S. S. Riley, A.C.A., and Mr. D. H. Roper, A.C.A., have been admitted to the partnership.

Mr. John J. Lawler, J.P., F.C.A., has been appointed managing director of Kirby's Limited and its subsidiary companies.

Mr. C. A. Ball, who graduated this year with first-class honours after completing his course under the universities scheme at the London School of Economics, has been awarded a research studentship at the University of California.

Mr. J. T. Davidson, A.C.A., has assumed the duties of joint managing director of Samuel Clark & Co. Ltd., London, W.1. He joined the company as assistant secretary four years ago, and in 1957 became secretary and financial director.

Messrs. Clark, Battams & Co., Chartered Accountants, London, S.W.1, announce the admission into partnership of Mr. J. W. R. Lindsay, A.C.A., and Mr. D. R. Huntingford, A.C.A. Both have been associated with the firm for some years.

Chartered Accountants' Benevolent Association

AT A RECENT meeting of the Executive Committee, Sir William Carrington, F.C.A., the

Classified Advertisements

Advertisements under "Appointments Vacant", "Practices & Partnerships", "Appointments Required", "Articled Clerks"—eightpence per word. Under "Official Notices", "Miscellaneous" and other headings—one shilling per word. Box numbers—five shillings extra (including the five words in the advertisement). Semi-displayed panels—£4 per column inch. All terms prepaid. Replies to Box Number advertisements should be addressed Box No. . . . c/o ACCOUNTANCY, 23 Essex Street, London, W.C.2, unless otherwise stated. It is requested that the Box Number be also placed at the bottom left-hand corner of the envelope.

APPOINTMENTS REGISTER OF THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

Employers who have vacancies for members on their staffs and also members seeking new appointments are invited to make use of the facilities provided by the Institute's Appointments Register. No fees are payable. All enquiries should be addressed to the Appointments Officer, Moorgate Place, London, E.C.2. Tel. Monarch 8506.

OFFICIAL NOTICES

THE INSTITUTE OF COST AND WORKS ACCOUNTANTS DECEMBER 1959 EXAMINATIONS

The next Intermediate and Final Examinations will be held at the usual Home Centres on the 7th, 8th and 9th December, 1959. Applications on Form C (obtainable on receipt of self-addressed, stamped, gummed label) should be lodged with the undersigned as soon as possible, and in any case by not later than the 10th October. No late entries will be accepted.

DEREK DU PRÉ,
Secretary.

63 Portland Place, London, W.1.

APPOINTMENTS VACANT

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

Taxation and Research Committee

A member of the Institute is required for appointment as Assistant Secretary to the Taxation and Research Committee. Age preferably between 28 and 35. A good draftsman is essential. He will be required to undertake, under the supervision of the Secretary to the Committee, research on and drafting of technical memoranda and to assist with the secretarial work and correspondence of the committee and its sub-committees. Commencing salary between £1,250 and £1,750 p.a.; non-contributory pension scheme. Apply by letter, giving age and details of education, qualifications and experience, to the Secretary of the Institute, Moorgate Place, London, E.C.2. Envelopes should be marked "Personal—T. & R."

AUDIT CLERKS. Many vacancies waiting for Senior, Semi-senior or Junior. Call BOOTH'S AGENCY, 80 Coleman St., Moorgate, E.C.2.

AUDIT CLERKS required by West End firm of chartered accountants, senior and semi-senior. Write stating age experience and salary required to Box No. DA868, c/o WHITES, 72 Fleet Street, London, E.C.4.

ACCOUNTANT—A Company engaged in business in Commonwealth Africa has a vacancy for an Experienced or Newly Qualified Accountant to take up a responsible position overseas which offers good prospects for promotion. The successful applicant will first be required to spend a few months in the London Office after which he will be posted to Africa. The commencing salary in Africa will be not less than £1,250 per annum. Length of tours of duty overseas depend on climatic conditions where posted, but will be followed by substantial home leave on full pay. Apply, giving full particulars to the Manager, Staff Department, Box No. 238, c/o ACCOUNTANCY.

AN EXPANDING Engineering Company requires assistants for its Administrative Division in Chesterfield. The duties of the persons appointed will include responsibility for certain statistical and accounting data and administrative work relating to various Divisions and associated companies. Candidates should be aged 25 to 30, and have secretarial and accounting experience in industry. The salary paid will be commensurate with experience. A Pension Scheme is in operation and working conditions are good. The positions available are progressive for men with initiative and ability. Applications, giving full details of education and experience, to The Secretary, FLOWRIGHT BROTHERS, LIMITED, Chesterfield, Derbyshire.

ACCOUNTANCY Staff from Articled to top salaried ACCOUNTING & TAXATION APPTS. NO FEES TO STAFF CONDUIT ST. BUREAU (GRO: 7080) 4 Conduit St., Oxford Circus, W.1. Open daily 8.30 to 7.30: Sats. 9-1.

AUDIT CLERK required at the Thames Ditton Head Office of the Milk Marketing Board. Applicants should be between the ages of 20 and 30. They should at least have taken the Intermediate examination of a professional accounting body and have had experience in a professional accountant's office. Commencing salary £700 per annum, excellent opportunities, permanent post, pension scheme, etc. Applications in writing to the Personnel Officer, Ref. 206, MILK MARKETING BOARD, Thames Ditton, Surrey.

CHARTERED ACCOUNTANT required for Management Accounting duties at the Head Office of Lobitos Oilfields Ltd. The work is interesting and varied and affords considerable scope for individual initiative. There will be opportunities for advancement for a successful applicant within the Group. Applicants between the ages of 24 and 27, preferably of Public School education, should address full particulars to the CHIEF ACCOUNTANT at 59 Pall Mall, S.W.1.

LARGE CITY FIRM of Chartered Accountants has vacancies for qualified accountants. Good experience and salary, five-day week, pension fund. Box No. 204, c/o ACCOUNTANCY.

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The initial salary will be between £1,200 and £1,500 per annum depending on experience, and there is a contributory pension scheme. There are good prospects for the right man as the company is expanding.

Applications (which will be treated in the strictest confidence) should contain full details of age, education, qualifications and positions held with dates and salaries and should be sent, quoting reference C.A.59, to the Staff Manager, COOPER BROTHERS & Co., 14 George Street, Mansion House, London, E.C.4.

NEW LOOK AT ACCOUNTING. A firm of Chartered Accountants which is aiming to provide specialist help in the use of figures as an aid to management, especially of smaller businesses, and which does no other work, seeks a Chartered Accountant between 25 and 30 years of age for its permanent staff. Maturity, clearheadedness, interest in industry, enjoyment of work, imagination and response to challenge are more important than credentials, but special consideration will be given to Graduates and those with industrial experience. Training salary for six to nine months not less than £850 and higher rates thereafter. Write in manuscript giving details of education, career and reasons for applying, to Box No. 236, c/o ACCOUNTANCY.

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MANAGEMENT ACCOUNTING

Cooper Brothers & Co. have further vacancies for qualified accountants who are experienced in, or particularly suitable for training for, investigation and installation work in the expanding management accounting and procedures field. The work is interesting and offers attractive salaries and excellent experience and prospects.

Where it is not practicable to allocate work on a regional basis, suitable local family accommodation or fares home at weekends are provided. Opportunities for overseas assignments arise for those who want them.

Essential qualifications are sound educational background, agreeable personality and genuine interest in human relations. Some good industrial experience is desirable. Age 28-35.

Applications (which will be treated in the strictest confidence) should contain full details of age, education, qualifications and positions held with dates and salaries and should be sent to the Staff Manager, COOPER BROTHERS & Co., 14 George Street, Mansion House, London, E.C.4.

NIGERIAN CHARTERED ACCOUNTANTS MAJOR INTERNATIONAL COMPANY OPERATING IN NIGERIA seeks NIGERIAN CHARTERED ACCOUNTANTS for work in NIGERIA; applicants must be fully qualified Chartered Accountants, must be under 36 and must be well educated men of all-round ability who are likely to be able to fill senior positions in due course. Applications giving full details of education, experience and qualifications, etc. Write Box Z.H.40, DEACON'S ADVERTISING, 36 Leadenhall Street, London E.C.3.

PRICE WATERHOUSE AND CO. have vacancies for young qualified accountants who wish to acquire a wide and varied experience. Good starting salary and excellent prospects. Opportunities to transfer abroad in due course. Write to 3 Fredericks Place, Old Jewry, London, E.C.2.

PEAT, MARWICK, MITCHELL & CO., 11 Ironmonger Lane, London, E.C.2, have vacancies in their London office for young Chartered Accountants who wish to widen their experience in all branches of accountancy. Excellent prospects, good starting salary, pension scheme. Opportunities for service overseas. Applications to 11 Ironmonger Lane, E.C.2.

PRINCIPAL ACCOUNTANTS required in Nigerian Federal Government Departments for duties under direct control of Accountant General. Contract appointment for one tour of 12-18 months in first instance with good prospects further tour of service. Salary (including Inducement Allowance) £2,244 per annum. Gratuity at rate £150 per annum. Accommodation at low rental. Income Tax at low local rate. Free passages for officer and wife. Assistance toward children's maintenance in U.K. Liberal leave on full salary. Candidates must be not less than 32 years of age and must hold recognized Accountancy qualifications and have wide accounting and administrative experience. Write for application form and further particulars, stating briefly age, qualifications and experience, to Appointments Secretary, FEDERAL PUBLIC SERVICE COMMISSION, 9 Northumberland Avenue, London, W.C.2, quoting Y.2/10.

TRAVELLING AUDITOR required by the Milk Marketing Board to work in London and the Home Counties. Qualifications required: A.C.A., A.S.A.A., A.A.C.C.A. He will work from his own home and is required to visit dairymen for the purpose of investigating claims for allowances and for submitting reports on the results of the investigations. Travelling and subsistence allowances are payable. The commencing salary will be up to £950 depending upon the successful candidate's qualifications and experience. Applications in writing to the Personnel Officer, Ref. 204, MILK MARKETING BOARD, Thames Ditton, Surrey.

VACANCIES available for qualified Accountants in South America, West Indies, Rhodesia, Kenya, Far East and the Continent. Call BOOTH'S AGENCY, 80 Coleman St., Moorgate, E.C.2.

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